

Nation's Business

USEFUL LOOK AHEAD

APRIL 1965

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listens
to

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gets
his
way

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Test your leadership skill

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Enduringly beautiful coffee shop floor is Kentile® Architectural Marbles Vinyl Asbestos Tile. Colors: Rheims and York. Note blending of light and dark shadings within each color. Wall Base: White KenCové® Vinyl. Floor design and interior by C. Eugene Stephenson, F.A.I.D.

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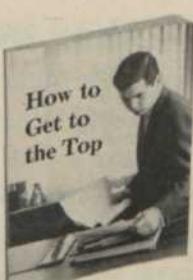
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10. How to cut credit losses
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Published by the Chamber of Commerce of the United States
Washington, D.C.

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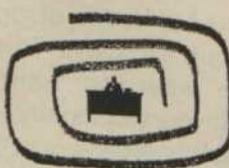
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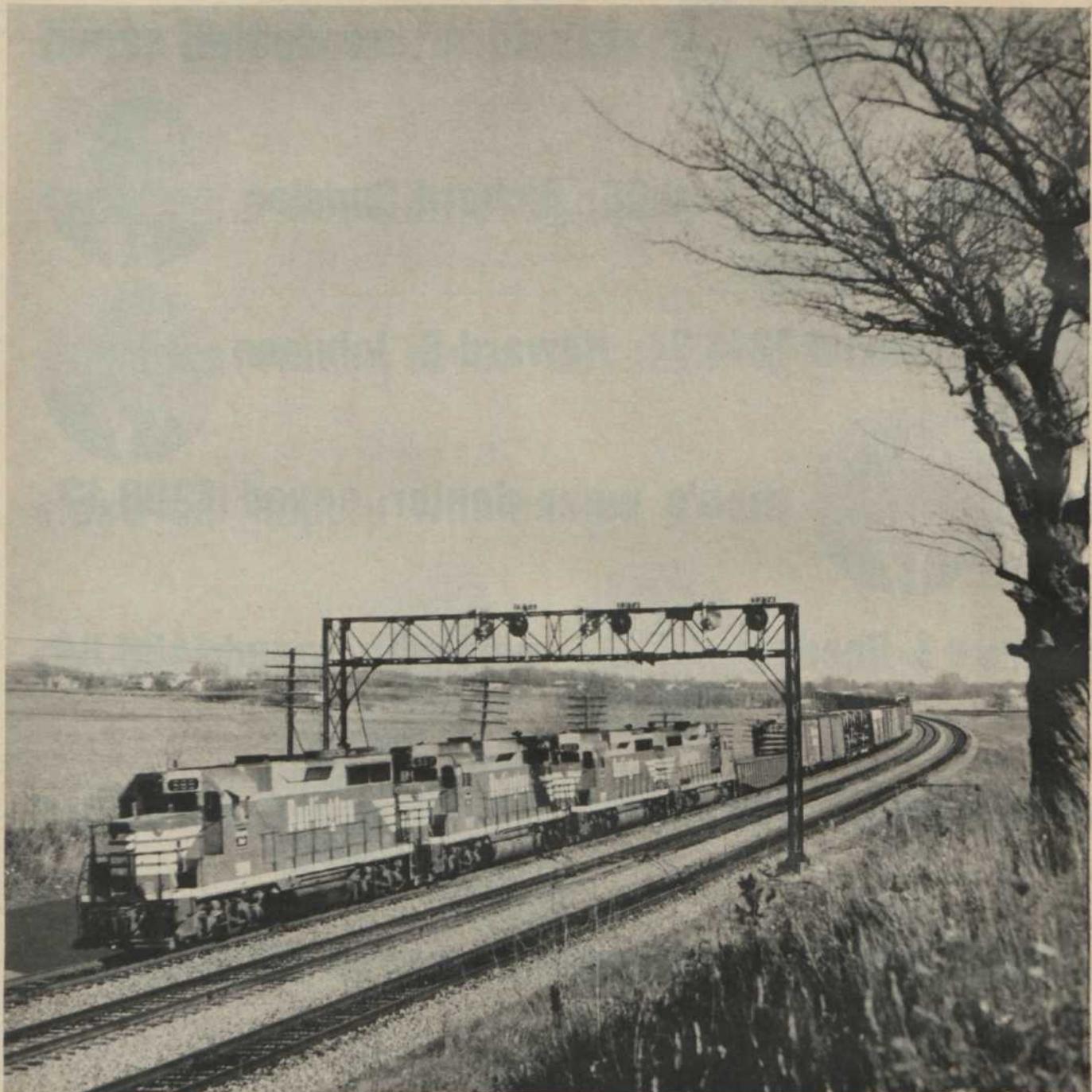
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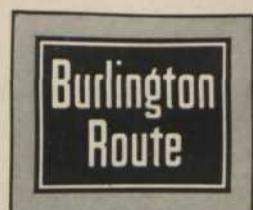


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WASHINGTON BUSINESS OUTLOOK

Will Vietnam war escalate U. S. business problems?

That's up to Red China as well as Hanoi.

Price, wage, materials controls would come only if big war explodes.

There's no thought in Washington of anything like wartime controls, government restrictions on production.

There are emergency plans which include controls—far back on government shelf.

And that's where they'll stay, unless enemy balloons hostilities to point of great world danger.

If Peking sends invaders swarming into Asian jungles, it would mean explosive war in all probability.

With army of more than 2.7 million men—and another 10 million standing ready for instant mobilization—Peking's power to worsen world tension is indisputable.

This will continue.

By the time children born in America this year reach school age, Red China will have a billion humans under rule in land of the dragon.

Striking thing about Vietnam war is U. S. capacity to take this kind of warfare in stride.

Our economy is so efficient, U. S. defense establishment so huge that we can carry on little wars without feeling economic ripples.

Equipment on hand, say experts, is sufficient to carry on unless Red China moves into action.

One defense specialist explains:

"All the munitions we might use in one day is like a drop in the bucket. We can smash the Reds much harder if the need comes."

Procurement plans won't be changed.

That's informed guess on Capitol Hill as con-

gressional committees shape appropriations for fiscal year ahead.

It's unlikely defense spending will be cut just as Administration has proposed.

Congress instead appears more likely to boost appropriations above asked-for level—but not by much.

Next big tax cut—after excise reduction—may come early next year.

Looking ahead, plans are already under way to shape another income tax reduction.

If business is booming as Congress goes into session next January, new cuts may be put off.

But if there's any indication that business may begin to slack off, staffers who draft law proposals will be ready.

Meanwhile, work goes ahead on excise tax reductions.

New voice of business is heard in White House circles.

Secretary of Commerce John Connor, for example, explains:

"We asked businessmen for their advice on ways to combat this balance-of-payments problem.

"And then we took their advice."

May be a first in Washington.

Dock strikes stunt exports, hurt balance of payments.

Full impact can't yet be measured. But latest walkout will be felt—directly and indirectly—all across nation.

Foreign trade specialists in capital believe it'll take four to six months in most cases to recapture markets lost by inability to serve overseas customers because of recent dock shutdown.

Some customers are lost permanently.

First soundings indicate probability that U. S.

has lost around \$250 million in overseas sales that can never be made up.

Will higher costs pinch profits later this year?

It's good guess answer is yes.

This is something out ahead, something not showing up yet in any statistics government collects about business operations.

But business researchers spot two trends taking shape.

One: Wage costs, nationwide, threaten to go up five per cent or more. That's substantially higher than government's suggested wage-settlement guideposts.

Two: Worker productivity appears to be going up less this year than last, falling short of guideposts. That's for industry as a whole, farms excluded.

Difference between labor cost and productivity is one measure of inflationary pressure.

It probably means:

Prices go up to offset rising costs.

Or profit rate goes down.

This productivity, or worker efficiency, falls short of estimates made only recently.

Washington doesn't yet know what to make of it.

But it is being discussed among government's business-trend technicians and it'll help you to know what could begin showing up on your profit ledger in months to come.

Measured as output per man-hour, average efficiency increase for all business and industry has been running a little more than three per cent a year since World War II.

If new indications prove accurate, it now appears likely that increase this year could amount only to about 2.5 per cent.

Fluctuations do occur. In '60, for example, man-hour efficiency rose very little. And '62 was way above average.

But lagging productivity is worrisome at this time because of wage-cost demands by unions.

There's reason to believe that productivity will not rise enough to offset more than half the expected pay rise.

Why efficiency slippage at this time?

Several things involved—which may hint solutions you can work on in your business if you spot them.

One factor involves dealings with unions. "Some of those production fellows," comments business researcher, "get in a pretty foul mood when negotiations drag on, go poorly. This can cut productivity, eat into profits."

But industry-wide efficiency is also partly related to vast number of modern machines and equipment being installed by companies.

New machines, surprisingly, often reduce plant-wide efficiency—at first.

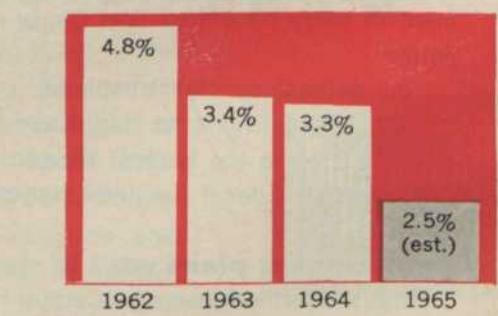
What happens is explained by one Washington productivity specialist this way:

Company gets new building or enlarges plant. You buy new equipment for cost reduction, better efficiency, increased output.

Then you move in your better men to operate new systems—never your newest men or poorest producers. They go through transition pe-

Worker productivity rate lags

Productivity for nonfarm industries.



WASHINGTON BUSINESS OUTLOOK

riod while learning to operate more complex systems. Often happens despite advance planning for break-in.

Result is output per man-hour, for a while, falls below par in new plant as well as old.

Both factors in 1965 appear to be at work on a broad scale.

Productivity will again go up faster as modernized systems begin to pay off. But it's hard to tell how soon payoff will come.

You can discount talk of business slowdown later this year.

Most gloom talk comes from unionists who press for laws they want Congress to pass this year.

Union strategists claim that their legislative goals would help reduce unemployment.

Examples:

They want shorter workweek. That's so-called spread-the-work issue. But it would add substantially to business costs, raise unemployment instead of reduce it.

So union pressure probably won't work, passage not expected this year.

And unions want double pay for overtime. There's even greater pressure for this. Union lobbyists figure chances of passage are better.

They demand double pay for time after 35-hour workweek instead of current time-and-a-half after 40 hours. As compromise, unions may get Congress to act on double pay after 40 hours.

Union leaders also want \$2 minimum pay per hour instead of present \$1.25. Strategists buck strong opposition. They realize Congress may not go along with \$2 pay, so unannounced aim is to settle for less.

That could mean expansion of law's coverage. Unions say additional 10 million nonsupervisory workers should be included. Indications are they could sway Congress to expand law to another two million workers.

Union efforts continue for repeal of Taft-Hartley provision that lets states enact right-to-work laws. If law is changed, compulsory unionism would gain and businessmen's problems would multiply.

Good business all year long. That's conclusion based on flow of fresh optimistic information into Washington about businessmen's plans for remainder of year.

Several factors assure favorable trend.

Broad public confidence is basic to what's ahead.

Consumers on the whole have good jobs, rising income, sound credit ratings and are generally optimistic good times will continue.

So mood of America is widespread optimism. And that's so among businessmen as well.

Businessmen show it through plans for expansion.

Companies last year spent largest sum ever for growth and now are spending sizably larger sum.

Before year is out, business investment in new plants and equipment will be steaming ahead at rate of \$1 billion a week—never higher.

For economic growth alone, American businessmen are investing in this country total sum equal to value of all goods and services Italy produces in a year.

And Italy is free world's sixth largest producing nation.

Steel strike? It would crimp growth plans, stunt general prosperity.

But Washington's view is that general shutdown is not likely.

You can count on White House intervention. President will use Taft-Hartley strike-delaying provision if need comes.

Meanwhile, there's plenty of behind-scenes urging to avoid shutdown.



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Business opinion:

Initiative applauded as poverty weapon

"THE ULTIMATE Weapon in War on Poverty" [February] deserves commendation and the thoughtful consideration of every citizen concerned with the welfare of his fellow Americans.

Let us hope our executive and legislative branches of government are fully aware of the fact that legislation on civil rights and public welfare will never defeat poverty unless the individuals concerned show the same desire for self-help as was evidenced by these three individuals.

It is heart-warming to know that there are still Americans who realize this and are willing to help themselves.

H. B. RASMUSSEN
Managing Director
Traffic Audit Bureau, Inc.
New York

"The Ultimate Weapon" impressed us as having great potential for motivating others caught in the poverty net.

The problem is to get this story of three who succeeded into the hands and in the language of others just beginning.

We are currently assembling materials in reading at an elementary level to be used in classes of trainees being readied for vocational re-training.

We should like to use the stories of Carl James, Lawrence Persinger and Christopher Columbus Lusby....

HAROLD A. EDGERTON
President
Performance Research, Inc.
Washington, D. C.

"The Ultimate Weapon" should be published in every high school paper in big cities throughout the United States....

The article pointed up the poor chances drop-outs have for success, but also showed that they can overcome their deficiencies with proper application.

ROLAND H. ROESSELET
Milwaukee, Wis.

"The Ultimate Weapon" does not prove the point which I believe you were trying to make....

Your three examples of "initia-

tive" prove to me that when a person is down and out he requires outside help.

I am glad that in at least one case this came from private enterprise.

JAMES F. JACKSON
Reading, Ohio

Professor? Look here

Felix Morley's article ["State of the Nation," February] on the shortage of trained college instructors fails to point out one excellent reservoir.

The business world is filled with practical experience, and many of these men would be eager to teach at the university level if given a chance. Unfortunately, many universities or their administrators are so busy protecting their closed shop with pure academic people that they will not consider this excellent source available in the business world....

While I will agree with the statement made by the dean of one university's business school that: "Successful businessmen don't necessarily make outstanding professors," I feel that college administrators might be pleasantly surprised at the caliber of men who have spent many years teaching and training in the competitive business atmosphere....

W. C. BUTLER
Tremco Manufacturing Co.
Cleveland, O.

Inalienable right

To change Section 14(b) of the Taft-Hartley Act [to repeal state right-to-work laws] would make it possible to subvert the consciousness of the individual. This would be oppressive immorality....

The individual should retain his inalienable right to choose according to the dictates of his own conscience.... This should never happen in America.

Section 14(b) of this Act must, of necessity, be held inviolate. It is a "civil right" of the highest order.

ARNOLD W. CRAFT, SR.
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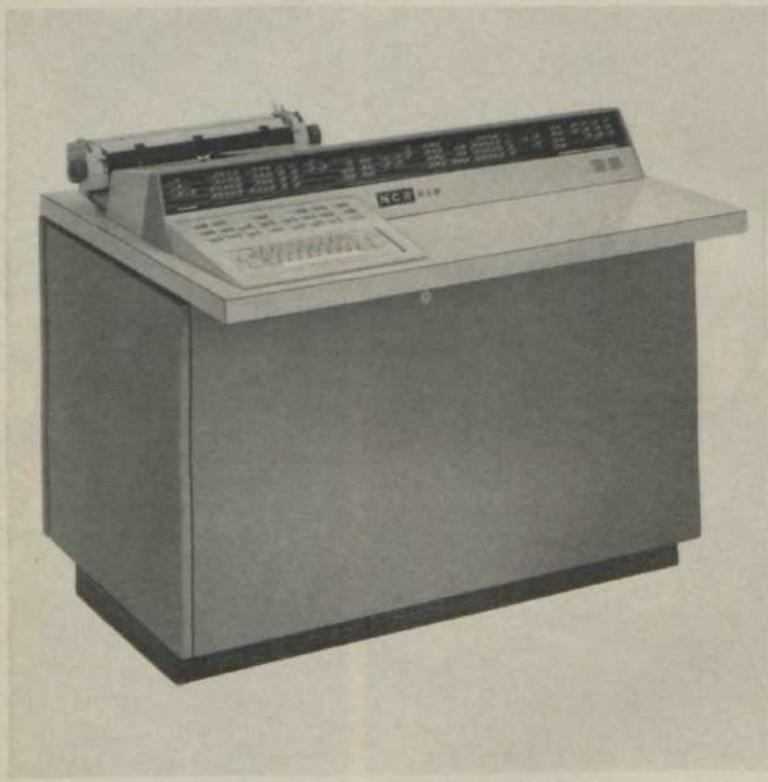
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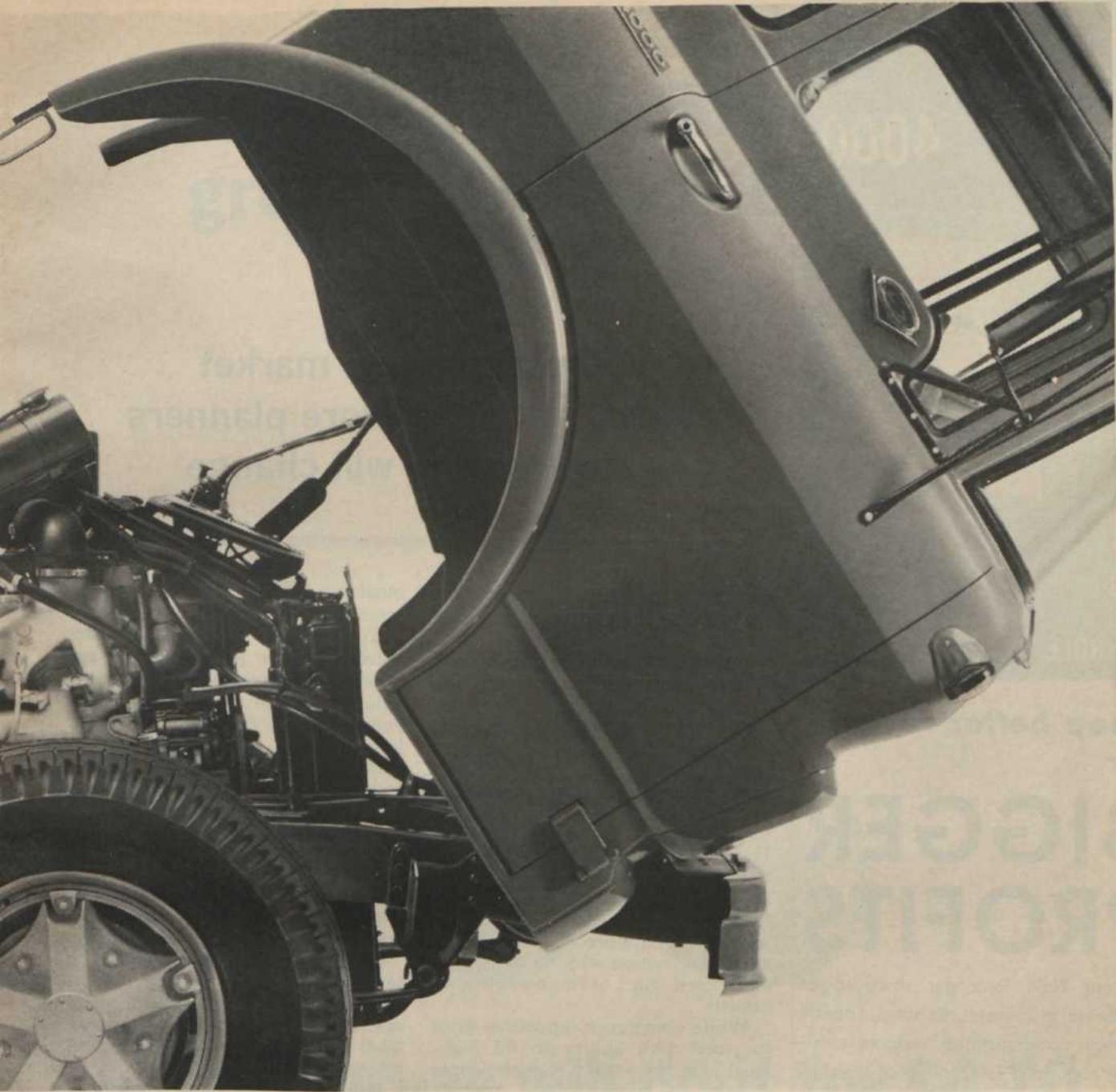
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Executive Trends

- Squeeze in job market
- More planning, more planners
- How testing will change

Recruiting from within accelerates as more firms hit snags in their efforts to fill jobs from outside.

Example: Companies which once looked to mergers to pick up top talent now find much of the cream already skimmed off. Adding to the pinch is a distressingly high early death rate among executives in some peak-pressure businesses.

"We're simply burning out too many men too young," asserts Hardy Jones, a 20-year veteran of the professional manpower selection field. He feels that "excessive concentration" on science and engineering education since the late 1950's is another reason why industry now finds itself short of promotable generalists.

While companies' appetites grow for men with ability to fill high-level jobs, the supply of such people shrinks in many fields. Another reason for this shortage is that men of middle management age are fewer compared with other age groups in our population.

If you're a capable administrator interested in switching jobs you'll find the market advantageous through the remaining months of 1965, according to professional recruiters. Good openings are numerous. In great demand are product managers, senior management men with industrial engineering backgrounds, marketing and ad agency executives.

outsiders. But promotion never comes by embossed invitation.

You have to demonstrate your potential. This means using every means to enlarge your own competence and to make known that you are ready to take on a bigger job.

Not all the skill-building burden will be on you. As more companies grow their own promotables, it's likely that formal training programs will be intensified.

• • •

What do you think is the most important word in business today?

If you say "planning," you're on target.

Always vital in successful management, it has assumed unparalleled importance in these days of jet-swift change.

Hunger for planning know-how, and for men with exceptional planning skill, is evident in many quarters.

Leading business spokesmen lay strong emphasis on planning in their public and private statements.

Management counselors report they're getting a heavy flow of inquiries on long-range planning techniques.

Professional recruiters—who place an estimated 15 to 18 per cent of all managers who change jobs—say ability to plan is one of the chief qualities companies are looking for in men interviewed for top jobs.

• • •

Your chances for promotion to a better job are brighter if your company is one of those finding it increasingly difficult to fill key jobs with

A gauge of present interest in planning is provided by the Association of Consulting Management Engi-

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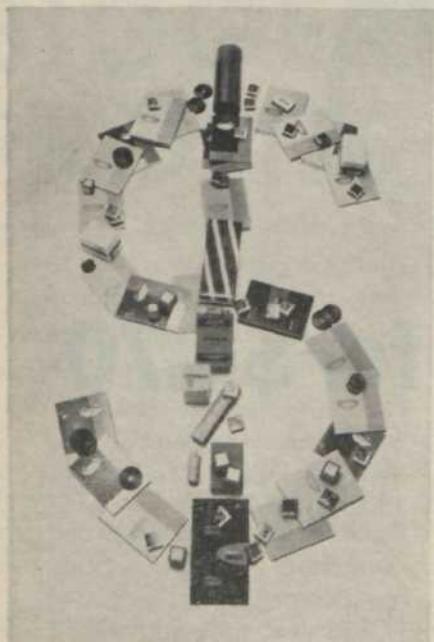
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EXECUTIVE TRENDS

continued

neers, Inc., a 40-member organization of major counseling firms.

Philip W. Shay, association executive director, says requests from clients show keen demand for information on planning itself, as well as planning-related activities, including electronic data processing and marketing strategy.

"The requests are coming from businesses in many lines," comments Mr. Shay. He feels that rapid corporate growth and change explain much of the interest.

Item: ACME itself readies a new report on how consulting firms will have to adapt their services to the changing needs of business. Report is scheduled for release this month.

• • •

When a man applies for a position with your organization five years from now he may have the feeling that he's working before he starts.

New test devices may create this impression.

This forecast comes from King Whitney, Jr., president of The Personnel Laboratory, Inc., a psychological testing firm retained by companies to evaluate prospective employees.

Definitely on the way, he predicts, is greater use of tests and devices that will measure an individual's ability to do the kind of work he'd do if you hired him. Some of these techniques already are in use.

To illustrate: An applicant for a sales manager's job is given background information on five make-believe salesmen. After reading it, he's asked to tell—in writing—which of the five he would select for promotion, and why.

The emphasis in future testing will be less on such things as how people answer multiple-choice personality questionnaires, more on how they deal with simulated business problems, says Mr. Whitney.

One reason this will come about, he explains, is that our increasingly sophisticated managers are becoming too adept at one-upping some of the so-called aptitude tests. The psychologists also are working on ways to trip up the one-upsmen—by designing tests that make it virtually impossible for an applicant to outsmart a test.

• • •

Company recruiters are showing increased interest in college seniors

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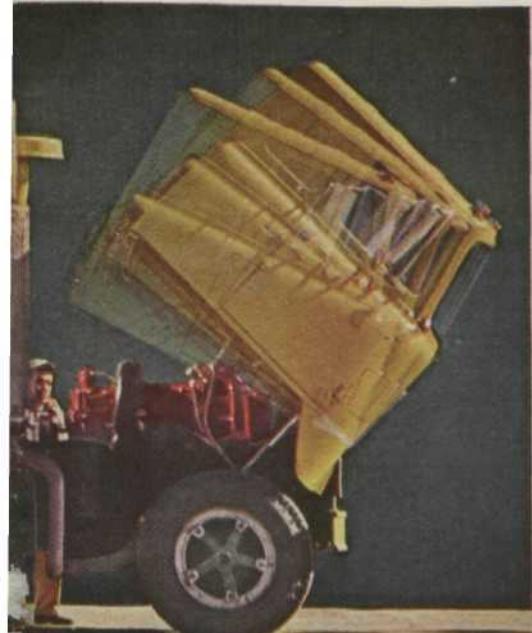
a separate optional heater for the sleeper compartment. And these cabs are designed for factory-installed air conditioning.

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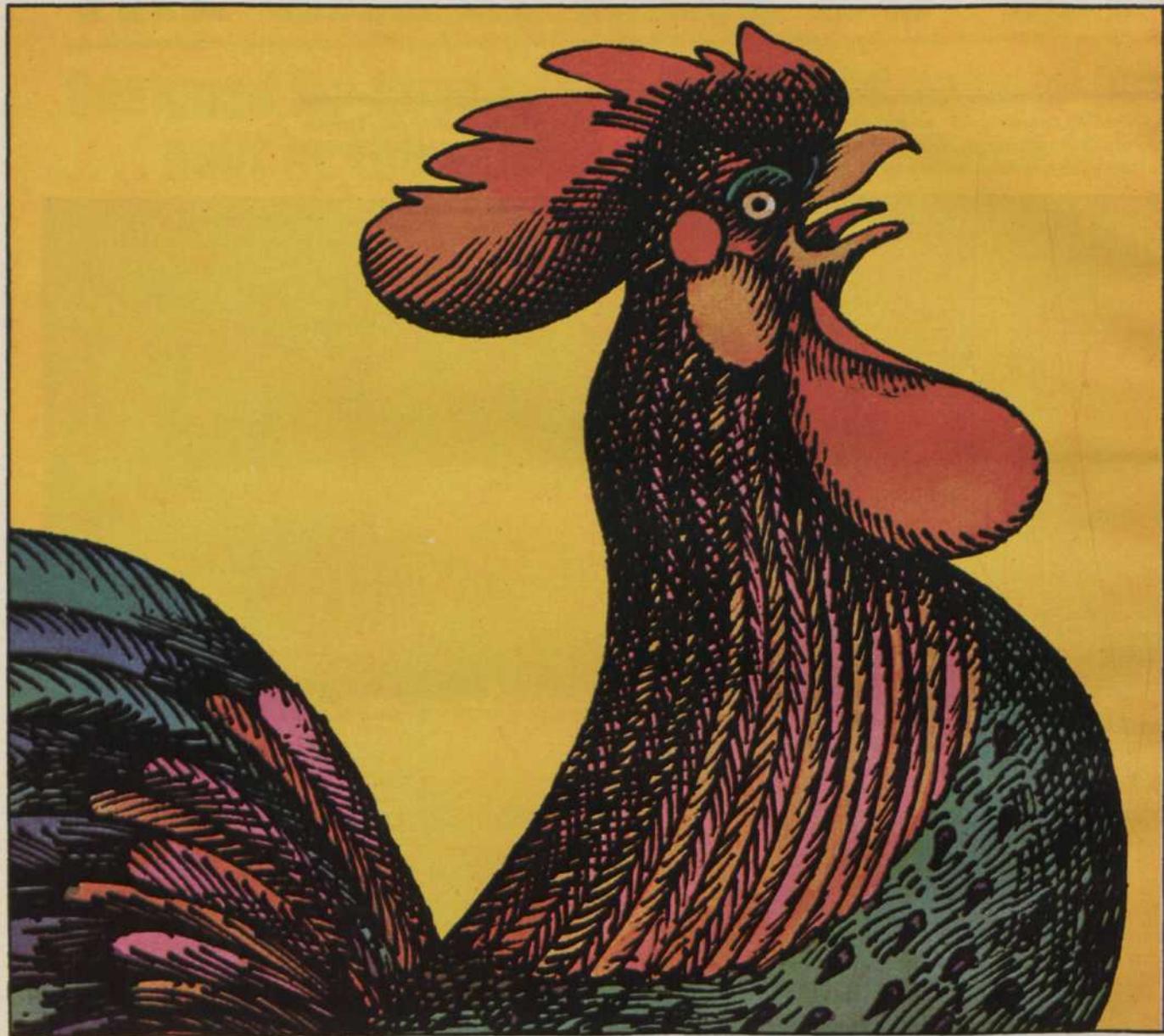
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EXECUTIVE TRENDS

continued

with nontechnical education. Yet the technical students in next June's graduating classes can expect to get higher salary offers from business than their nontechnical classmates.

This paradox is reported by Robert F. Herrick, executive director of the College Placement Council, Inc.

Technical graduates are getting average salary offers in the range of \$600-plus a month.

For the nontechnical grad the typical starting salary hovers around \$500.

Demand is rising for college students with majors in business, marketing and accounting.

One placement officer—John D. Shingleton of Michigan State University—confirms the growing interest in liberal arts majors but adds that the biggest assets any graduate can have in competing for good offers remain the same: "a high level of accomplishment, poise, personality, and . . . desire for work."

• • •

Are the motivations of America's college students changing?

Some businessmen who do on-campus recruiting believe they are.

One of the significant changes is a growing interest on the part of young men in "making some kind of public-service contribution," according to Robert J. Canning, who manages the General Electric Company's financial personnel recruiting effort.

Mr. Canning has been recruiting for 15 years.

His company has recruited on campuses since 1919 and hires about 1,000 graduates a year.

"Perhaps it's the influence of the Peace Corps," Mr. Canning says. "At any rate, we sense that young people are becoming more and more interested in such things as government service—in doing something that makes a broad contribution to society."

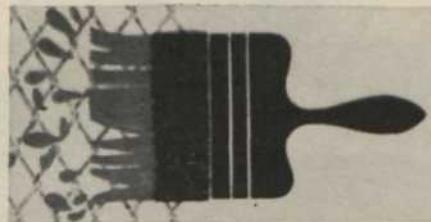
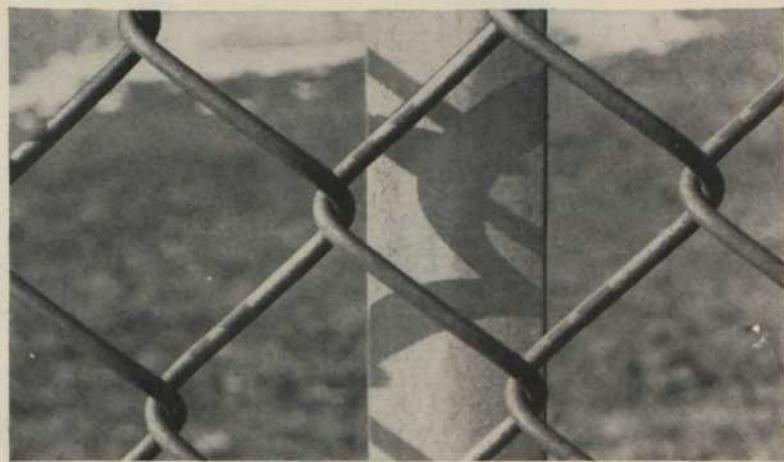
Ambition? Mr. Canning believes that the typical graduate has plenty of it.

He thinks that today's young people definitely are not preoccupied with security features of employment.

"College students are much more aware of what's going on in the world than their counterparts of, say, ten years ago," he declares. "They're bright. They want a challenge."



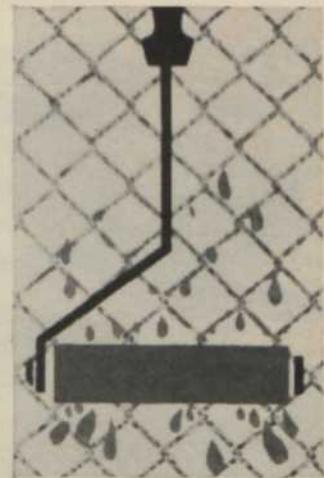
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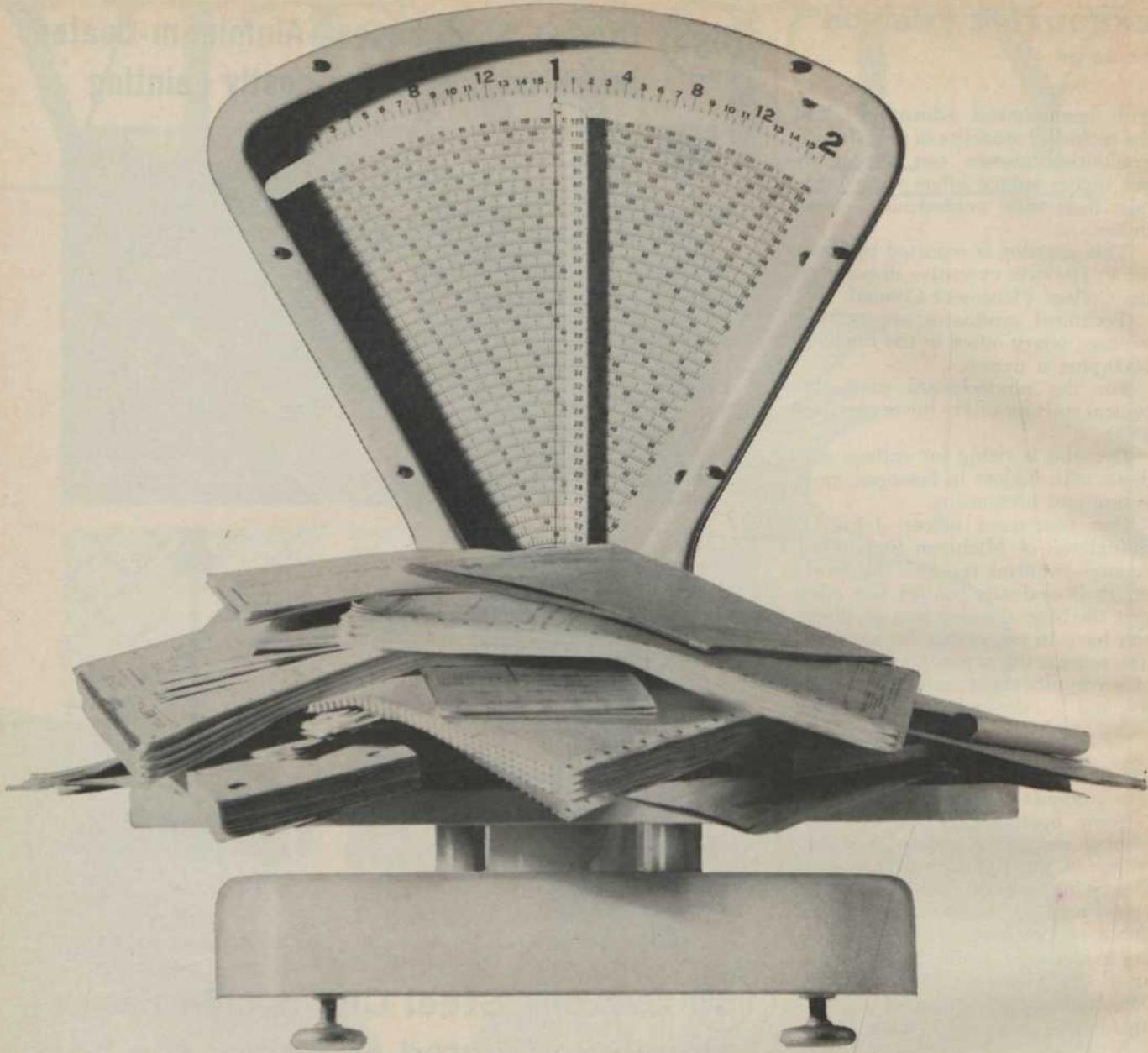
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People curious to know what he's really like

BY PETER LISAGOR

IF PRESIDENT JOHNSON happens to lack the charismatic quality of a Dwight D. Eisenhower or John F. Kennedy that tends to evoke gasps of pure affection in a crowd, it does not follow that the public is either indifferent to or uncaring about the man in the White House. In fact, the evidence is that it cares greatly, or, perhaps more accurately, that it seems curiously fascinated by his foibles, his habits and his manner of dealing with the press, Congress, the vice president, his staff and anybody else who comes into contact with him.

For example, a fellow who visited the Middle West not long ago came back to Washington unmistakably aware that not as many questions were asked him about the programs of the Great Society as about LBJ the man and the manner in which he conducts even the most trivial affairs of the presidency. People wanted to know about those things that may enliven but not inform a dinner-table conversation. The questions ran along these lines:

"Is he trying to keep Vice President Humphrey's light buried under the proverbial bushel because he's jealous of sharing the limelight with anyone else?" or "Why does he hate the press as much as he seems to?" or "Is it true that he chews up his assistants and spits 'em out for breakfast if any of them displeases him?" or "Is he really feuding with the Kennedys?" or "Does he like to keep people off guard by praising them one minute and criticizing them the next?"

The traveler from Washington disclaimed possession of any inside intelligence that would permit him to know the answers to questions that had nothing to do with the solemn issues of state or would, in any case, require some psychological insight into a man not easily pigeonholed or characterized under the best of circumstances.

Mr. Lisagor is the White House correspondent for the Chicago Daily News.

When the traveler observed that a negative response would come closer to the truth about the President than acknowledging the premise of the questions, eyebrows shot up as though he were part of a cabal to protect Mr. Johnson from public exposure.

He came back to the capital more impressed than ever by this curious interest in the LBJ personality and in the largely irrelevant details of White House



LBJ in his many poses gives few clues to his personality.

life. He was almost convinced that his inquisitors did not think that they ever got a fully straight account of what goes on in the Babel along the Potomac. But above all else, it seemed that ordinary citizens feel more of an identity, if not an odd sort of kinship, with President Johnson than they did with his immediate predecessors, and he wasn't sure whether this was a strength or a weakness of LBJ's.

The President himself is known to wonder aloud at times why anybody should be interested in his private life. His personal and family affairs should be immune from what was once called keyhole journalism, in Mr. Johnson's judgment. And most

Americans would surely agree, even though the line separating the private from the public in a position as intensely spotlighted as the presidency is a thin and barely perceptible one, indeed.

In the conduct of his office, in his relationships with all the figures and the forces that circulate through the White House, the dynamo that keeps life pumped into the executive branch of the federal structure, the President's methods and techniques, his idiosyncrasies and quirks seem to be very much in the public domain, however much he and those around him may attempt to screen them.

Mr. Johnson is more apt to follow the example of Franklin D. Roosevelt in his relations with people, not alone because FDR was a political model to him but also because the Rooseveltian pattern suits LBJ's temperament and outlook. In one volume of Arthur M. Schlesinger, Jr.'s "The Age of Roosevelt," the historian quoted FDR in a passage that one can imagine LBJ repeating to one of his own staff. To an assistant who was trying to persuade him to take a certain course of action, FDR said: "I do not have to do it your way and I will tell you the reason why. The reason is that, although they may have made a mistake, the people of the United States elected me President, not you."

• • •

The historian also quoted an old political intimate of FDR as saying that "Most people acting for Roosevelt were messenger boys. He really made his own decisions."

The process of decision-making in any presidency is probably far less tidy and definable than most outsiders imagine. Mr. Schlesinger reports that the process under FDR was "involved and inscrutable," and a Roosevelt adviser of the time said his boss "allowed no one to discover the governing principle." Not enough time has elapsed to give one a perspective on how LBJ arrives at his decisions. Once the memoirs and diaries of the insiders come forth after the Johnson era, one suspects that the judgment will be that LBJ's process was at least as complex, if not as inscrutable, as Roosevelt's.

Decision-making under Eisenhower was more orderly than under any President in modern times, no doubt, because he relied upon a staff system as he did in the army and only the essential problems reached him. Strong men in his Cabinet, such as Secretary of State John Foster Dulles and Treasury Secretary George Humphrey, made the system eminently workable. Dulles' domination of foreign affairs was believed to be so complete that all he needed was presidential assent, rather than decision, on overseas policies.

John F. Kennedy, on the other hand, improvised in the early phase of his presidency, deferring to senior and presumably wiser heads in the bureaucracy until he discovered, in the disastrous Bay of Pigs episode, that he could take nothing for granted. He became a skeptical critic of advice he got there-

after, and involved himself earlier in key problems as they moved through the decision crucible. Greater understanding of the JFK decision-making process can be expected after the books now being written by his trusted assistants have been published.

President Johnson believes that his assistants serve him best if they retain a passion for anonymity, although this is difficult in the electronic age when only the most self-effacing can resist the demands for interviews on television. It has been said that LBJ would like his staff to be faceless as well as anonymous. Roosevelt once remarked in young Congressman Johnson's presence that a White House assistant was losing his value because his name kept cropping up in the newspaper columns, and LBJ frequently recalls the remark approvingly.

Mr. Johnson seems plainly agitated when a special assistant acquires a public identity, and he has indicated that he regards those who serve him in the White House proper as equal and interchangeable in their tasks. A man who has observed LBJ's working habits for many years recently offered this acutely revealing picture of how the President handles his staff:

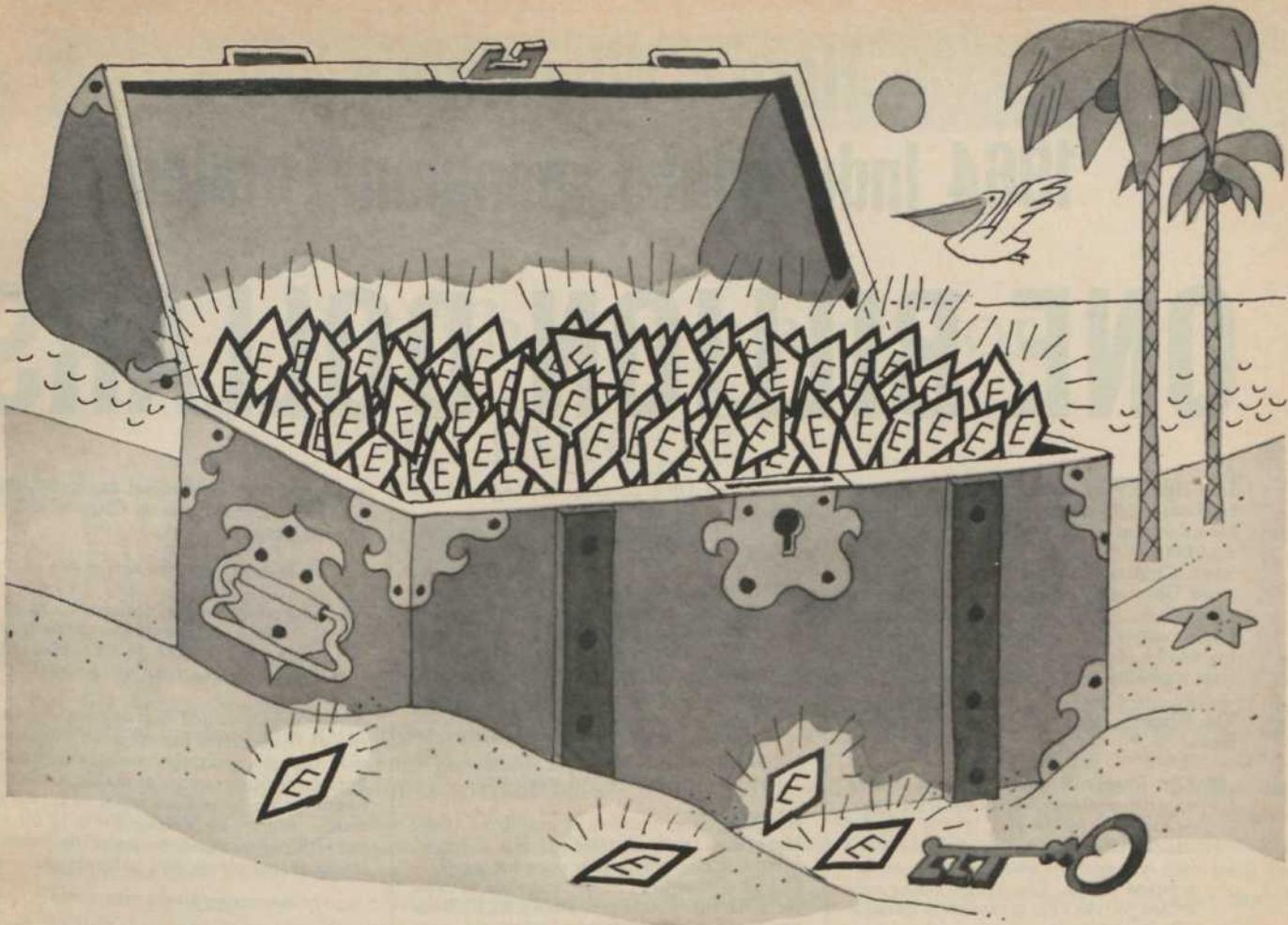
"For five days, he will accept everything one particular assistant tells him or advises, and, in the same period, ignore another particular assistant. On the sixth day, the favored one might come forth with the most brilliant memo of the entire week, and the President will read it quickly and indicate dissatisfaction by tossing it to the man he has ignored all week and saying, 'Here, take this and make some sense out of it.' It isn't done meanly, but it sure keeps everybody off balance."

• • •

In his relationship with Vice President Hubert H. Humphrey, the President isn't likely to forget his own experience in that position. Even though President Kennedy took every care to see that he was included, not only in the crisis sessions but also in the intimate White House social affairs, Mr. Johnson still felt forlorn on occasion, his restless and impatient nature demanding more and more to do. He was especially aggrieved by flippant press accounts wondering whatever became of Lyndon Johnson. Humphrey's energy matches his own, and while the vice president may not be performing tasks of wholly cosmic significance, it seems clear already that he will have precious little idle time on his hands.

Like every President before him, Mr. Johnson would like the best possible press, one that exalts his works and is free of criticism. He will never get it, of course, but unlike his predecessors, he finds it hard to accept the press as a legitimate auditor of his presidency. But even on this score, he is unpredictable and quite changeable, moving from periods of cold war with the press to interludes of peaceful coexistence that have been known to disarm even his most dedicated adversary.

Why he doesn't maintain this equitable attitude defies analysis. But it helps to explain why the public seems to have such a consuming interest in a man who can be as enigmatic one moment as he can be open-handed and revealing the next.



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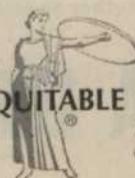
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throughout Ohio operate training and re-training programs.

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Reaching these markets is easy from Ohio. More than half of Ohio's 1,540 miles of Interstate Highway is now open for travel—and Ohio intends to be the first state to complete its entire network. Ohio's \$2.5-billion program for new highways insures the state an unsurpassed highway system. Thirty-four railroads crisscross every county in Ohio. Thirteen regularly scheduled airlines serve fourteen Ohio cities, and 441 airports and airfields are available to business and private planes, and a program now underway will place an airport capable of handling at least twin-engine planes in each of Ohio's 88 counties. The St. Lawrence Seaway-Great Lakes shipping lanes and the mighty Ohio River have opened direct water routes from Ohio's industry to world markets—and vice versa.

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■ **Excellent educational facilities. In 1964, ninety-three Ohio colleges and universities conferred an estimated 25,000 bachelor degrees, 4,500 master degrees, and 510 doctorates. Ohio high schools graduate 85,000 students a year and the number is growing.**

To keep well ahead of the growing demand for higher education, Ohio has a \$340-million program for more and better laboratories and classrooms, technical institutes, community and branch colleges, and research centers. Already authorized are funds for facilities in 27 Ohio communities. A new state university, plus technical, scientific, and community institutions at 21 Ohio locations, are proposed in an up-coming program. Whether your needs will be for

astrophysicists, mechanical engineers, technicians, or machinists, Ohio will have trained people for you.

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■ **Low utility rates. Ohio ranks third in the nation in energy production, providing abundant power available throughout the state at low cost.**

Seven investor-owned electric companies and two of the nation's largest gas systems provide Ohioans with the most complete and flexible utilities service available. Ohio coal resources are more than equal to future demands, and recent developments in oil and gas drilling promise to make the state a leader in petroleum and natural gas.

PROFIT IS NOT A DIRTY WORD IN OHIO

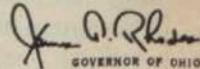
■ **Superb recreational facilities. Hunting, fishing, boating and camping for the outdoorsman; historical and scenic points of interest for the sight-seer; big league baseball, football, basketball, hockey, skiing, racing, golfing and bowling for the sports-minded.**

No Ohioan need ever leave his state, whatever his recreational tastes. And, again, Ohio intends that it will remain so. On the boards is a \$100-million program for capital improvements in Ohio's state parks, lakes and streams, and historical sites. From the hushed relaxation of a quiet lakeside cabin, to the excitement of summer theatre, to the bright bustle of the county fair midway, Ohio has every recreational facility.

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And remember, all of this with no new or increased taxes. Ohio is gearing itself to become the nation's number one industrial state—a state sensitive to its people's wants, responsive to the problems of industry, and so confident about the future that it is acting today to provide for the needs of tomorrow's industry.

Shouldn't you find out more about Ohio before you make any expansion decisions?


GOVERNOR OF OHIO

PROFIT IS NOT A DIRTY WORD IN OHIO

What to watch for in Europe

BY FELIX MORLEY

FOR MANY WEEKS now the attention of Americans, in the domain of foreign policy, has been largely concentrated on Southeast Asia. By the time the generally unsavory news from Vietnam has been absorbed there is usually neither opportunity nor desire to keep abreast of developments elsewhere.

This does not mean that events stand still in places which are both closer and more important to us than Saigon. In Western Europe changes are taking place which are not less significant because they are primarily commercial. The outcome of our rivalry with communism, however, is at least as much at stake in Europe as in Asia.

Statistics recently released by the government of West Germany show that in 1964 the value of that country's imports from North America increased by only 1.8 per cent over 1963. For the same two periods West German imports from the communist bloc, excluding East Germany, jumped by 12 per cent.

What West Germany purchased from Russia and her satellites last year was still only about one third the value of goods bought from the United States and Canada. But the sharply upward trend of the former is significant. Still more so were the West German exports to communist countries—up 27.8 per cent from 1963 to 1964.

Much the same picture is revealed by the foreign trade figures for our other European allies. For them also, almost without exception, the volume of East-West trade is rising. This is emphasized in the report of the House "Special Study Mission to Europe," which received little publicity when presented to Congress in February. The mission, under the chairmanship of Representative John S. Monagan of Connecticut, concluded that: "With respect to East-West trade, we believe that thorough review of the entire body of U. S. law on this subject is overdue."

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.

Many factors contribute to the campaign for easing present governmental restrictions on East-West trade. One of the most important is not as yet generally realized. It traces to the widening cleavage between NATO and the European Economic Community, generally known as the Common Market. These organizations, both owing much to American inspiration and support, are no longer harmonious, one with the other. And it becomes increasingly obvious that it

PHOTOS: WIDE WORLD, EEC



Deliberations of NATO and the European Common Market are likely to set them on a collision course

will be impossible for our foreign policy to continue to favor both.

NATO, launched in 1949, is, of course, a military alliance, of which the United States and Canada as well as 13 European countries are members. It was developed, after the communist seizure of Czechoslovakia, to provide protection against further Moscow-inspired aggression. The pledge of its members is that "an armed attack against one or more of them in Europe and North America shall be considered an attack against all." Whether or not because of NATO there has been no such attack during the 15 years that this alliance has been operative.

The EEC, established by the Treaty of Rome in

TRENDS: STATE OF THE NATION

1957, has no direct military significance. It is currently only a customs union of six countries: France, West Germany, Italy, Belgium, Holland and Luxembourg. All these, however, are also members of NATO, and Washington has throughout looked favorably on this grouping because it has served to give the NATO alliance greater economic strength. For the same reason Moscow is suspicious of EEC.

As every visitor to the area knows, the commercial success of the Common Market has been spectacular. Well ahead of original schedules, practically all remaining tariff barriers on shipments of industrial products between the members will have been removed by the beginning of next year. Progress toward the even more difficult objective of agricultural free trade is not lacking. As a result, commodity shipments among the Common Market countries have more than doubled within the past five years.

As the Monagan mission reports, however, "the growth of freer trade within the Common Market has not been accompanied by a parallel relaxation of the Market's common barrier to imports from the outside." The export trade of European countries outside EEC, like Great Britain, Austria and Switzerland, is being contracted by the Common Market achievement.

For that reason these nonmembers are increasingly receptive to the overtures of communist purchasing agents. And the appetite of the Common Market countries for East-West trade is simultaneously stimulated by the rapid development of their productive potential. Russia's ability to pay in gold, when necessary, is still another stimulant.



The British effort to join the Common Market was frustrated, in January, 1963, by French opposition under the leadership of President de Gaulle. His argument was that the United Kingdom cannot be regarded as an integral part of Europe as long as it has special relations with the countries of the British Commonwealth and, he implied, with the United States.

On several occasions since, de Gaulle has demonstrated that he visualizes the Common Market as the basis of a "Third Force" which, under French leadership, would be essentially neutral as between the United States on the one hand and Russia on the other. This plan is, of course, anathema to those who would like to see NATO develop as a far-reaching North Atlantic Treaty Organization, with political as well as military unity.

General de Gaulle's vision, however, is by no means the only factor operating to frustrate NATO while expanding and strengthening the Common Market.

Several important European countries will not or cannot join NATO because it is basically a military alliance. Sweden, Switzerland and Austria, however, have all shown that they would willingly associate themselves with EEC if that action would be compatible with their neutrality. But this will not be the

case as long as the Common Market is composed of NATO members. There is thus an underlying strain on NATO, unquestionably promoted by de Gaulle, which justifies the Monagan mission in saying that the alliance is in a state of "crisis."

U. S. policies, says its report to Congress, have "contributed to the faltering of NATO and to the uncertainty about its future." Among these is listed the restrictive American attitude on East-West trade as contrasted with the more liberal attitude increasingly dominant among our NATO allies. Since Russia can now obtain almost all its technological needs from them: "What the U. S. export controls accomplish . . . is to deny American manufacturers the opportunity of participating in this type of trade with the Soviet bloc."

While NATO flounders, the Common Market is marking time. It is already close to being a federation, so far as the removal of internal trade barriers is concerned. The next step indicated is currency unification, to the end that prices and production costs will become more uniform throughout the area.

Such development, however, would clearly be one of political as well as economic union. And amalgamation of the Six into a United States of Europe, for which the name Europa is already coined, would immediately raise the important issue of whether the new central government would be a member of NATO, as are the parts which would join to form Europa. In the now neutral countries which would like to join the Common Market it is argued that this would not be the case.



The issue, however, is not likely to arise in this legalistic manner. In 1969, four years from now, any member of NATO may with complete propriety withdraw from that organization. It seems probable that France, if de Gaulle's policies are maintained, will then elect to do so. The other members of the Common Market would then be under great pressure to do the same. In short, a showdown between NATO and the EEC is in the offing.

Whether or not this trend develops further would seem to depend in no small measure on our attitude toward East-West trade. That European business intends to foster it, and has little of the morbid fear of communism so prevalent with us, is obvious. The question is how the divergent viewpoints can best be reconciled.

Such questions are ignored, and allowed to fester, whenever the national attention becomes absorbed by a single trouble spot, no matter how grave the situation in the particular area. Few business problems can be considered in a vacuum, entirely apart from seemingly unrelated factors. And that is certainly not less true for the interlocking difficulties of a highly disordered world.

A nation which moves into a position of world leadership must learn to see world problems as a whole. It cannot afford the kaleidoscopic focusing of newspaper headlines. It may well be in the interest of our enemies that unbalanced concentration on the latest flareup should continue. That, however, is scarcely a consoling thought.

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RIDE WALT DISNEY'S MAGIC SKYWAY AT THE FORD MOTOR COMPANY PAVILION, NEW YORK WORLD'S FAIR

New Tax Collector tells his goals

By SHELDON S. COHEN
U. S. Commissioner of Internal Revenue

Integrity, automation, harmony with businessmen are promised

COOPERATION IS GROWING between American business and the federal government. We find this especially true in the tax area.

A large part of the work of the Internal Revenue Service concerns business, of course. We regard the welfare of the business community as a matter of deep concern. We feel our necessary operations should not impede business operations where possible, and we know that business provides one of our principal sources of revenue.

I come to my post as Commissioner of Internal Revenue with no preconceived ideas for changes. However, I know ours is a very dynamic society, which requires constant change to adapt to it. I feel certain we will move forward with whatever changes become appropriate.

The author, at 37, is one of the youngest commissioners in Internal Revenue Service history. President Johnson named him to the top IRS post a few months ago. He had been chief counsel for a year. Previously he was in private law practice.

I have two strong personal goals as Commissioner: 1. To stress integrity in the government's administration and interpretation of the tax laws and in the citizen's compliance with them.

2. To bring our automatic data processing (ADP) system to a successful full implementation.

Our nation's dependence on the integrity of those who administer the tax laws is even more fundamental, to my way of thinking, than automation. Fortunately for the country, the great majority of Americans pay their taxes on time and with a remarkable degree of honesty. ADP, even with all its marvels, won't collect a penny of tax.

The taxpayer's confidence in the American tax system rests on his acceptance of the honor and sincerity of those charged with administration of the tax laws.

The Revenue Service maintains one of the highest standards of self-conduct in government or industry. Our inspection service helps to insure adherence to these standards through internal audit and security programs.

Many of you are aware of the disclosures of integrity breakdowns last year. It is my firm intention to uncover corruption wherever the trail may lead.

I believe the vast majority of Internal Revenue employees share my sense of urgency to flush out corrupt practitioners, taxpayers and employees.

Integrity is our watchword. I deem it vital in earning and keeping the respect (*continued on page 68*)

WHO THE PRESIDENT LISTENS TO

New insiders now seem to have his ear more than some of his former cronies

AT A PRIVATE White House luncheon recently, President Johnson read his guests a quotation sent to him by a member of his staff:

"Behind every enterprise stands the man who is ultimately responsible. The eager and able men on his staff spin golden dreams and propose new plans. They fret while he ponders. But to him, deliberation is sweet.

"He knows that success will have many shareholders, but that failure will be the sole property of the man responsible."

Mr. Johnson—and the unnamed staff member who sent it to him—obviously felt the quotation clearly stated the position of the President of the United States—"the man responsible."

And in reading it to his guests, he seemed to be expressing some of that splendid misery that goes with the lonely eminence of the presidency.

The final responsibility for momentous decisions, global and domestic, does indeed rest with the President alone. But like every President, Mr. Johnson needs and has his eager and able men who spin golden dreams, propose new plans and fret while he ponders. It is to these men that he looks for advice, guidance, reassurance, discussion, warnings of trouble ahead. And it is these men who help shape Lyndon B. Johnson's domestic Great Society program and international policies.

These are the men the President listens to. To know who they are and appreciate the role each plays one must first understand the pattern—organization would be too



President Johnson listens intently to words of Secretary McNamara.

formal a word—into which they fall.

Four groups have his ear

To oversimplify a bit, President Johnson consults with four separate groups of people.

First, are the insiders, the members of his White House staff.

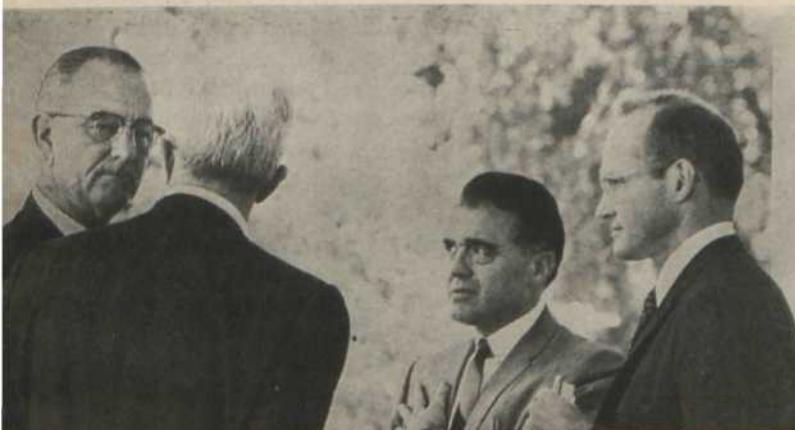
There are indications the President is listening more now to staffers and cabinet members than to old cronies outside of government. The men who work only for him, are responsible only to him, find him a tough, demanding and frequently downright cantankerous boss. But they are completely and unques-



Without question the top staff man is Special Assistant Bill Moyers.



The President still leans on advice from several of his old associates now in leadership posts in the Congress.



Aides (from left) Reedy on press, Valenti on speeches and Bundy on security feed in information continuously.

tionably loyal. They are such men as Bill Moyers, Jack Valenti and other members of the "Texas Mafia," longtime aides from the President's days in Congress, generalists ready to undertake just about any assignment the President wants to throw them.

They are also men like McGeorge Bundy and Lee White, holdovers from the Kennedy days, with more narrowly defined areas of responsibility.

The insiders are at the President's call from the moment he wakes up at 6:30 a.m. or thereabouts until he retires. They chat with him during meals, consult with him constantly during the long office day, travel with him, even help him pass the hours when sleep re-

fuses to come. They schedule his appointments and organize his time, prepare memos and briefing papers, boil down reports from the government agencies, explore legislative possibilities, write speeches and messages, follow through on his decisions, recommend policies and courses of action to implement them, determine what goes into the all-important bedside table reading pile for presidential browsing late at night or early in the morning.

The second group is made up of the high-level officials—men at and around cabinet level who advise the President but who also have substantial operating responsibilities of their own. Occupying more lofty public positions than the

White House staffers, they operate on a looser rein. This group includes such men as Secretaries McNamara and Rusk, of course, the heads of such key agencies as the Budget Bureau and the Council of Economic Advisers, and one other man the President talks to and listens to often: Vice President Humphrey.

These are the men who supply the brick and mortar for the broad policies the President and his White House aides construct and the decisions he makes. Meeting directly with the President or working with the White House staff group, they give him facts and counsel. And once the policies are formed and the decisions are made,

(continued on page 55)

WHAT PEOPLE THINK

Along the Pedernales, they're strong people with



STONEWALL, TEX.—Ernest Hodges lives in a sturdy house made of concrete and fist-sized rocks he and his wife Marie hauled up from the Pedernales River. You get there by crossing a concrete low-water bridge that becomes a ford when the river rises. The Hodges' place adjoins a somewhat better known ranch on the north bank of the Pedernales in central Texas—the LBJ Ranch, home of President Johnson.

Ruddy-faced Mr. Hodges keeps his iron-gray hair cropped short. He has farmed and ranched in the valley all his life, his father having come there as a boy in 1887. He runs cattle, goats and sheep, grows peaches and raises 300 acres of grain for livestock feed.

But mostly Mr. Hodges is an innovator, an experimenter—even a gambler, although he wouldn't describe himself that way.

"We've been changing from one thing to another as long as I can remember," he said one recent afternoon when the rain kept him out of the fields and let him relax, hands behind his head, in a comfortable living room chair.

"We used to grow cotton and then peanuts. I was the first to put in a sizable acreage of peaches. I had 118 acres at the most. People said I was crazy. But I said, 'There's always got to be one crazy one in the bunch' and went ahead." The Stonewall peach has since become a favorite in Texas as result of pioneering by Mr. Hodges and others. "You have to plan and experiment and work and everything else if you want to get ahead," he said.

Mr. Hodges is far from unusual in the Pedernales valley or, indeed, in many another region of the U. S. For it has been millions of people like him and others in his region who provided the sturdiness, imagination and courage which built the United States and gave the nation its character.

More specifically, these are the people among whom *Simon Burg (left), rancher-businessman, says anyone in the area can find a job if he wants it. Construction firm chief M. C. Winters (left on opposite page) feels employers must be free to shift their workers' task.*

IN THE LAND OF LBJ

strong thoughts about what's best for their country

PHOTOS: SHEL HERSHORN-BLACK STAR



WHAT PEOPLE THINK IN THE LAND OF LBJ

“... There was a dream—a dream of a place where a free man could

President Johnson grew up and to whom he says he still turns for inspiration. In his State of the Union message, he declared:

“A President’s hardest task is not to do what is right, but to know what is right. . . .”

It was a dramatic section of his speech and revealing as to his values and beliefs.

“The answer was waiting for me in the land where I was born.

“It was once barren land. The angular hills were covered with scrub cedar and a few large live oaks. Little would grow in the harsh caliche soil of my country. And each spring the Pedernales River would flood our valley.

“But men came and they worked and they endured and they built.

“And tonight that country is abundant; abundant with fruit and cattle and goats and sheep, and there are pleasant homes and lakes and the floods are gone.

“Why did men come to that once forbidding land?

“They were restless, of course, and they had to be moving on. But there was more than that. There was a dream—a dream of a place where a free man could build for himself, and raise his children to a better life—a dream of a continent to be conquered, a world to be won, a nation to be made.”

It's worth, therefore, a close look at the people who live in LBJ country, at their parents who tamed the land and at the land itself. Who are these people who inherited the dream of “a place where a free man could build for himself”? What kind of folks have built this country? What guides their thinking?

“Patience, tenacity, character”

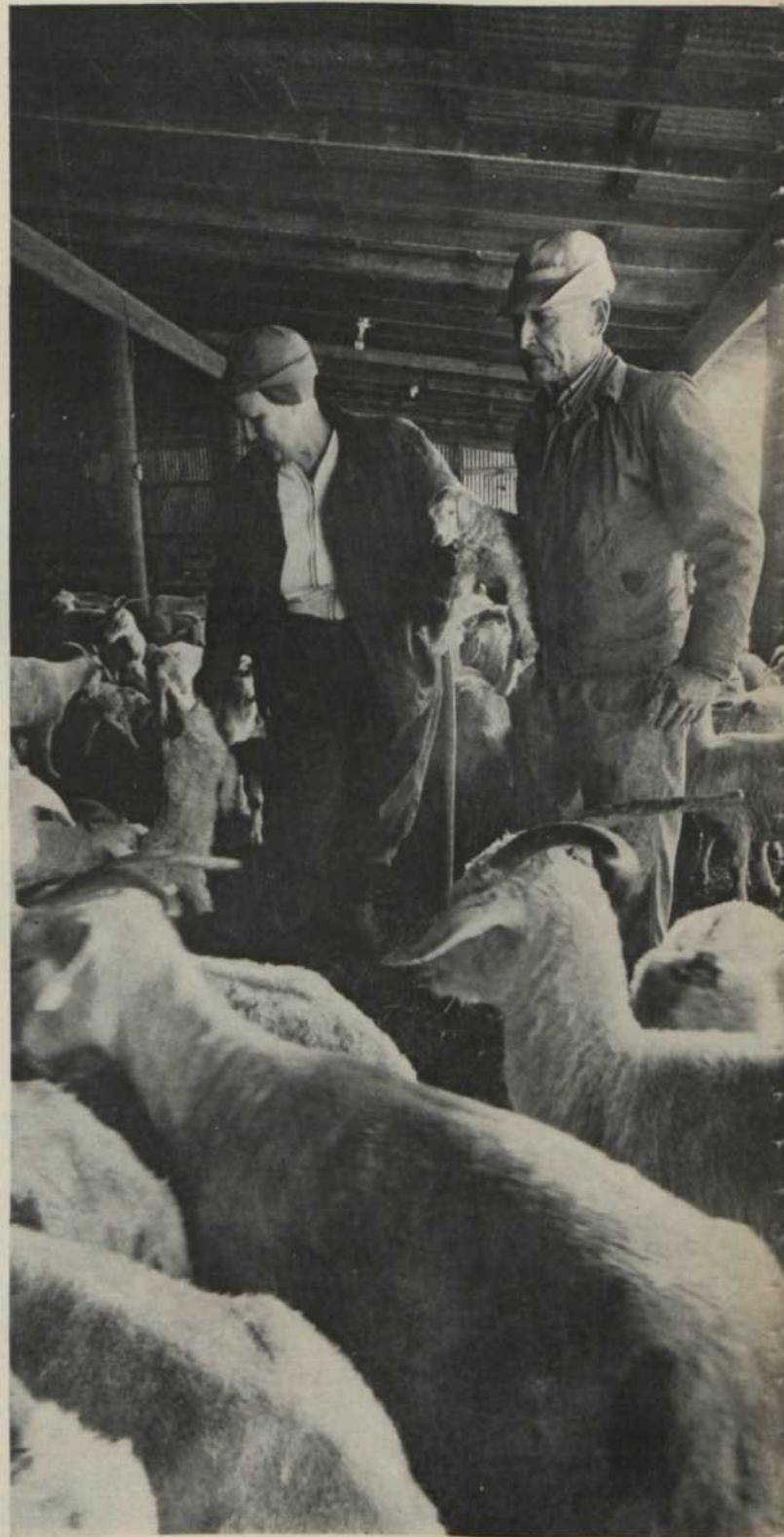
Part of the answer comes from leathery, soft-spoken Judge Thomas C. Ferguson, law partner of President Johnson's business associate A. W. Moursand. He says the land “develops patience, tenacity and character” in the people who live there.

“These are reasonable people,” concludes Dr. William Crook, energetic president of San Marcos Academy. “There's no feuding. They've had to neighbor. In many ways, they resemble traditional New Englanders. They're on the conservative side of the scale but not the agin' type of conservatism. They are open to ideas.”

They are independent, believing in an individual's responsibility to make the best he can of himself and in such time-tested virtues as work, ambition, thrift and the family, a visitor finds.

Another part of the answer comes from Arthur Stehl of Fredericksburg:

“As you can see, we don't have the best soil in the



uild for himself, and raise his children to a better life . . ."

world. I don't imagine they would even farm it up in Illinois or Michigan. Our ability to get by is due to the frugality of the people and the fact they can diversify their farming, ranching and their thinking."

Mr. Stehling's credentials for talking about the region are impeccable. At sixty, he's the descendant of pioneer German families who came to the Pedernales valley direct from the old country in the middle of the Nineteenth Century. The sign on his door identifies him simply as a lawyer. But he's more than the local courthouse lawyer that's implied. He is president and organizer of the Security State Bank & Trust Co., the moving spirit behind other Fredericksburg enterprises, chairman of the Gillespie County Democratic Committee, a frequent visitor to Washington and New York on business and a friend of the President. Pictures of Mr. Johnson, autographed, and of other big names accompanied by Mr. Stehling cover his office walls.

This changing country which Mr. Stehling characterizes and in which Mr. Johnson lives is known as the Hill Country of Texas. Two metropolitan areas exert an economic and social pull. Austin, the state capital, is on the eastern edge without being part of the Hill Country. San Antonio is on the south. Texas' Colorado River, controlled by a series of seven dams which provide power, lakes for recreation and flood control, more or less bounds the region on east and north.

What it's like today

Scrub cedar and oak cover many acres of land today, killing off grass and making grazing difficult.

"About all the ground's good for in some spots is to hold the land together," says Jake Pickle, member of the U. S. House of Representatives for part of this region.

About in the middle of the Hill Country, the Pedernales River flows eastward, one of a ladder of similar smallish streams which swell at the drop of a good rain. The word is an Indian one meaning flint, say old-timers. But no one seems to know why it is pronounced "Perdenales," (continued on page 76)

The Bill Striblings (left) work around the clock with up-to-date equipment in the kidding season to assure profits from Angora goats. They agree with County Agent O. L. Patterson (right, bottom) that success depends on brains as well as brawn. Lawyer Arthur Stehling (above) was told he'd never make a banker, so he went to work and now heads a bank of his own.



Lyndon's lobbyists: How they get what he wants

These are the carefully picked men who sell the Administration program to the Congress

LEANING FORWARD at his desk on the second floor of the White House west wing, the curly-haired Boston Irishman pointed to Lyndon B. Johnson's office directly below.

"It's the President's legislative program that we're working for, and our responsibility is to push the whole program through Congress," said Lawrence F. O'Brien, special assistant to the President for legislative affairs.

"Sure, each federal department and agency has a special interest in this or that bill and wants to see it pass. But we operate under the concept that we're all solidly behind the President's program."

With these words the director of the most skillful government lobby ever assembled summed up for an editor of *NATION'S BUSINESS* how he and more than 40 other legislative experts are striving to persuade Congress to convert Mr. Johnson's long list of objectives into a living Great Society.

The President's lobby spreads across the nation's capital from the White House and other executive offices downtown to congressional leaders and other Administration friends on Capitol Hill—with a large assist from lobbyists of labor unions, consumer organizations and other special interest groups.

While Mr. O'Brien directs President Johnson's lobbying func-

tions, as he did for President John F. Kennedy, the real force behind it is Mr. Johnson, himself, who has developed the operation to its present level of efficiency and insists that it operate in the Johnson manner.

As the President has told his Cabinet, he considers a federal department's legislative liaison officer second in importance only to the cabinet member himself.

"If we are to get our legislative program through (Congress)," he said, "you must have heavyweights in these jobs—people with political sensitivity and substantive knowledge of your programs.

"I expect them to keep you thoroughly informed of the situation affecting your programs on the Hill and, in turn, I expect you to keep me informed at all times."

With almost three decades of experience and friendships in Congress, Mr. Johnson is his own most active lobbyist. He works closely with Mr. O'Brien, Vice President Hubert H. Humphrey and Democratic congressional leaders in planning legislative strategy and tactics, and he does not hesitate to take a personal hand when it may do some good.

A perfectionist in politics, Mr. Johnson wants the machinery for enacting his legislative program to meet the same standard—and Larry O'Brien is trying to give it to him.

Mr. O'Brien began building up

the White House legislative operation soon after President Kennedy, in whose election campaigns he had been a key figure, took office.

"We knew we were going to have difficult fights with Congress after the 1960 elections because the Democrats had lost 21 House seats," Mr. O'Brien recalled. "We won our first test on the rules by only five votes.

"We decided to build a legislative staff at the White House and put it on the highest possible level. For instance, I became spokesman for the President on the Hill.

"With a staff of three men covering the House, one at the Senate, and an inside assistant at the White House, we established regular contacts with members of Congress and shifted the emphasis on congressional relations—the spotlight—from the executive agencies to the White House.

"A congressional relations operation which was formalized in the White House for the first time in the Eisenhower Administration was further expanded and became a full-scale department."

Today every major federal department and agency has a congressional liaison officer whom President Johnson wants elevated to a level close to the cabinet officer or agency head, if he doesn't already hold such status. Two are assistant secretaries, but most are assistants to

(continued on page 98)



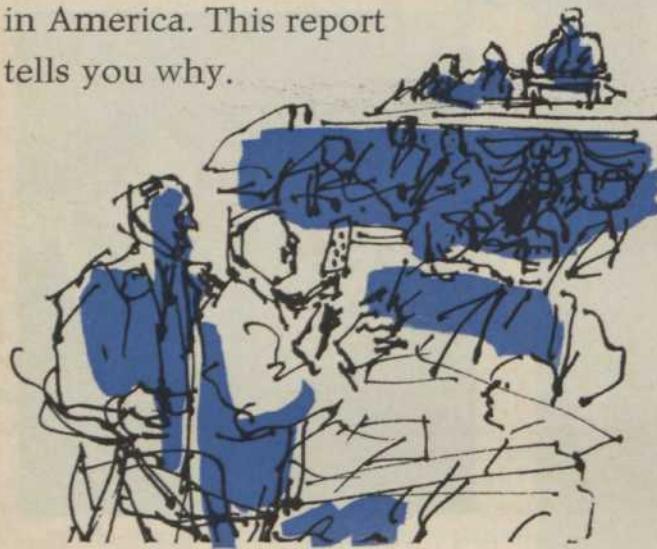
Key members of Congress are contacted on Capitol Hill by the President's legislative agents. At left, Lawrence O'Brien (right) works on Sen. Allen Ellender. Below, Samuel Merrick (right) meets with Sen. Jacob Javits. Bottom, Wilbur Cohen (left) discusses welfare legislation with Rep. Wilbur D. Mills



PHOTOS: GEORGE TAMES

Business meetings: More

Businessmen stand to get more from their share of the \$6 billion spent yearly on conventions and business meetings in America. This report tells you why.



A BUSINESSMAN, in a recurring nightmare, finds himself trapped under a giant fruit cocktail in the middle of a hotel banquet hall.

His doctor describes the fruit cocktail as a symbol. "You've been attending too many conventions," he says. "Take a vacation."

The businessman buys a ticket on a Caribbean cruise ship and plans a restful stay at an island resort. Entering the main salon his first evening aboard ship, he discovers it's crowded with businessmen holding a meeting.

When he reaches the island his hotel is jammed with insurance agents there for a vacation-sales seminar.

Shaken, the businessman wires his doctor: "Urgent prescribe new treatment. Fruit cocktail following me."

So goes the story. Apocryphal or not, it points up one of many changes now reshaping meetings and conventions—those uniquely American phenomena that each year attract more than 10 million people.

Not only are more meetings held today, but increasingly they are being conducted in foreign lands, on ships at sea, at exotic resorts and on a scale that has made meeting-holding itself a \$6 billion-a-year domestic industry. In some U. S. cities conventions account for as much as 67 per cent of the yearly revenues of the largest hotels, are a major spur to

local business, and support a boom in the building of multimillion-dollar civic auditoriums designed to house conventions and trade expositions.

Why meetings are changing

Businessmen account for perhaps half of all the convention activity in the nation.

But the kinds of meetings these chronic convention-goers attend are taking on a new look.

Today's sessions are generally better planned, shorter, more serious and more sophisticated, and involve greater audience participation than was true just a few years ago. Some business and industrial gatherings feature expensive, Broadway-quality shows. Even these are designed more to make a serious point than to entertain, as you may have been aware in recent meetings you have attended.

"There is a real movement afoot to introduce a better rationale to business meetings," asserts James O. Rice of New York, a meeting consultant. He finds many companies intensely interested in getting "more mileage" from the time and money they earmark for meetings, "whether it's company training sessions, sales meetings, trade shows or the annual meeting of their associations."

Others echo this view. "Location, in this day of jet travel, is no longer the important consideration it once was," declares one trade association official. "Now the big thing is program. You've got to offer a compact, appealing and meaningful program geared to the needs of your audience."

Move about in business gatherings and you sense the greater mood of seriousness and purpose, the hunger for know-how. This reflects the average executive's awareness that powerful forces are at work: technological upheaval, keen competition, government's expanding influence on business, complex new tools for managing and the mixed blessing of world trade.

At a business meeting, or convention, the executive expects to find answers to some of the questions raised by each of these forces. Alert meeting managers recognize this expectation and design their meetings accordingly.

An illustration of how this is

message, less meringue

done is offered by Dwight Reed, assistant executive vice president of the American Bottlers of Carbonated Beverages, an association of 2,900 soft drink bottlers. ABCB's annual meeting is one of the biggest in the association field. It draws 10,000 bottlers, salesmen, suppliers and franchise operators—and their wives.

"One of our chief functions," Mr. Reed explains, "is to keep our members informed of technical, legislative and other developments affecting them. A few years ago there was a big stir over the question of whether bottlers should shift to cans for soft drinks. This decision can involve large capital outlays, so we placed a great deal of emphasis at our annual meetings on discussions of the advantages of different types of containers. We used skits, panel discussions by officials of franchise companies, all manner of communication techniques."

Wide-angle view important

There are meetings and meetings. On the businessman's calendar, "meetings" can mean almost anything—a session with his board of directors, a stockholders' meeting, a sales meeting in the field, an informal staff pow-wow or three days in a cavernous convention hall hearing papers read or exhibit-hopping at the trade show.

Most associations—they hold an estimated 32,000 state, regional and national meetings a year—stick to the direct interests of their members. Some call this "tunnel vision," close scrutiny but over a limited field.

There are other business organizations, however, whose focus is broader, encompassing all the major

national and international issues that cut across industry lines.

The Chamber of Commerce of the United States is the principal example. At its fifty-third annual meeting this month in Washington, businessmen will be brought up to date on what the government is doing that affects them. Meeting delegates, in turn, will let



government and the nation know where business stands by formulating and adopting specific declarations of policy.

Annual meetings of the National Chamber in recent years have led to policy decisions which have had a profound effect on the country. The Chamber's strong and early endorsement of tax reduction, enacted in 1964, is a conspicuous example. Its leadership in backing the Export Expansion Act in 1962 is another case in point, showing, as it does, how businessmen—in assembly—can exert an influence with far-reaching implications.

On the touchy issue of East-West trade, American businessmen have watched with interest the role that Chamber sessions have played in building a greater acceptance of the idea that, with safeguards, Soviet-American trade can be expanded and liberalized.

Certainly the emphasis on government economy ceaselessly called for by the National Chamber, along with other business groups, has had its effect in the past two annual budgets of the Johnson Administration.

A policy session of the National Chamber is an occasion for debate as well as decision, for the organization is democratically constituted and its voting members often hold divergent views.

Other business groups with (continued on page 48)



A LOOK AHEAD

How stores boost profits

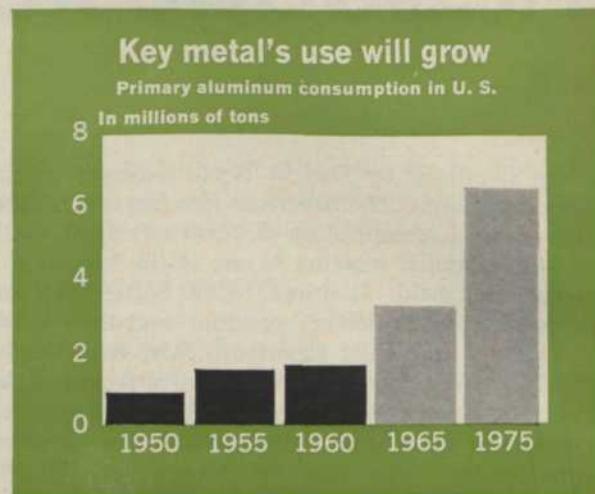
(Marketing)

New de Gaulle brawl looms

(Taxation)

What's coming in engines

(Transportation)



AGRICULTURE

Watch for possible new federal steps aimed at aiding farmers' cooperatives.

Farm Secretary Freeman has mulled plans to extend more government help—and control—to co-ops. Could come later this year.

Most co-ops act as centralized buying or selling units for farmers in a region, distribute refunds to clients based on patronage. Many don't pay federal corporate income tax. Says top officer of one expanding co-op that does pay taxes: "Taking the tax exemption can really hold you back. You have to follow so many rules you can't build any reserves or expand with the rest of the economy."

Co-ops get bigger, become fewer. Some 8,907 did \$13.8 billion worth of business at last count during 1963 fiscal year—down 1.5 per cent in number, up 6.3 per cent in sales. Little co-ops are merging or selling out.

CONSTRUCTION

Federal Power Commission can fuel boom in pipeline building by deciding several big projects.

Biggest battle is over Gulf Pacific Co.'s proposal for new 1,500-mile, 36-inch line from Texas' gulf coast to Southern California. Competing El

Paso Natural Gas Co. and Transwestern Pipeline Co. both want permission to step up present service to area instead. Decision is due this summer.

Oklahoma Illinois Gas Pipeline Co. has been bidding to build nearly 1,000 miles of pipe to bring gas to St. Louis. Mississippi River Fuel Corp.'s group, which already serves the city, has been competing.

Northern Natural Gas Co. wants to extend service to Michigan's upper peninsula.

Pipeline construction around world will probably climb 15 per cent above 1964 no matter which way FPC decides, forecasts "Pipe Line Industry," a trade journal. American projects would come to 11,369 miles, a shade above last year's 11,010.

CREDIT & FINANCE

Battle royal between business and bad check artists will heat up.

Summer, with more people on the move, raises the risks to hotels, motels. Peak shopping seasons such as Easter plague retailers. "Many youngsters are getting the idea they can pass checks," reports one department store credit adviser.

How many bad checks pass? No one knows. Some estimates range from \$100 millions to \$1 billion annually. American Bankers Associa-

tion sees bad check losses across the country as only around \$60 million, though climbing. Thieves now steal blank checkbooks as well as cash.

At that, bad checks run small by comparison. Banks will cash about 15 billion good checks worth around \$5 trillion this year, according to ABA.

Bad check counterattack is aided by faster banking machinery. It enables officials to spot forgeries quicker, say some experts. National Retail Merchants Association offers this advice to members: Always ask for one more identification credential, compare signatures upside down.

FOREIGN TRADE

When you're trying to dope out what's ahead in the nation's balance of payments troubles, here are some figures that may help—and surprise—you. They illustrate the global complexity of U. S. business and government.

American businessmen traded with 156 nations and territories last year.

U. S. companies have direct investments in over 80 countries. Nobody knows exactly how many, but Commerce Department plans to find out in a new census next year.

Uncle Sam belongs to over 50 international organizations, and diplomats will attend close to 600 inter-

national conferences at home and abroad this year.

Some 4,300 treaties and agreements are in force.

The U. S. maintains 295 diplomatic posts and 428 major military installations abroad, as of last count.

One upshot: Foreign nations owed Uncle Sam \$16.6 billion as of last June 30, not counting pre-World War II debts.

LABOR

Your employees who object to compulsory membership in a union may be able to make use of a weapon endorsed by the Supreme Court—refund of union dues used in politics.

At least it's working that way in North Carolina.

Availability of the weapon stems from the Supreme Court's ruling in what's called the Allen case. It involves eight North Carolina employees of the Southern Railway Co. and two railroad brotherhoods, the Railway Clerks and Railroad Signalmen.

The workers balked at being forced to join a union under a compulsory union membership agreement and having their dues used to support political candidates and policies with which they didn't necessarily agree.

Refund the part used for politics, the court ordered the unions in a decision now getting broader impact.

Practical effect: The unions are now excusing the workers involved in both the North Carolina and similar Georgia case from having to join a union. Question is whether employees elsewhere will make companion attempts to break compulsory union requirements.

MARKETING

Magic words for bigger profits may be: merchandising by classification.

That's the coming fashion among pacesetting department store executives. It means playing down the word "department," putting more emphasis on individual products. For example, traditional stores have thought, pro-

moted, kept records, displayed and ordered by departments, such as linens, housewares, men's clothing with little crossing of lines. There's also been slow analysis at best of what's selling within departments.

New idea is to fuzz department boundaries, promote via customer's interests, such as bathroom shops with items from several departments. Up-to-minute records are kept of exactly what's moving, make better use of inventory, enable merchants to ride a trend.

Computers open way to rapid analysis of facts. Robert I. Jones, partner in Arthur Andersen & Co., reports breakthroughs may come soon in optical-font sales registers which read coded price tags and shoot the information directly to store's computer.

NATURAL RESOURCES

Aluminum company leaders face major price and expansion decisions this year.

Here's what one expert foresees:

Upward pressure on prices of primary aluminum. Executives complain industry's rates of profit still lag behind other industries. This despite a price rise last fall. Wages likely to go up this year. Labor contracts expire next month; settlement normally follows steel's pattern. Climbing demand. U. S. consumption is rising about 8 per cent a year. That's the rate since 1946 and the likely rate in the future. We'll use close to 3 million tons this year, around 6.6 million in 1975.

That means new plants. Producers operate at capacity now. Go-aheads on one or two new plants may well come this year. Alcoa talks of building its next plant in Ohio-Pennsylvania-West Virginia area. Harvey Aluminum considers a new smelter.

TAXATION

Add this to the swirl of important tax activities this spring: talks with France on updating the present bilateral tax treaty.

Significance of talks is they give de Gaulle's government a chance to make things more difficult for U. S. companies and businessmen operating in France—if de Gaulle wants to. No one knows if he does. But France is jealous of expanding American investment in key industries. Tighter tax treatment for Americans would be a way to harass U. S. investors.

Whatever de Gaulle's disposition, U. S. Treasury officials also say today's treaty signed in 1939 needs updating. It avoids double taxation of income earned in one country by citizens of the other. But many tax law changes have occurred.

Treasury says negotiators will discuss income of investors, professional people, entertainers and employees of foreign corporations plus withholding on such income, as well as new rules for taxing income of citizens of one country who maintain permanent business connections in the other.

TRANSPORTATION

Truckers eye turbine engines admiringly for potential economies.

Size of possible market will heat up already-bubbling competition.

Ford puts a giant turbine-powered truck on road. General Motors experiments with a bus. Chrysler test drives its car. Orenda Ltd., wins Pentagon contract to develop turbine tank engine also usable in civilian vehicles. Other leaders include Pratt & Whitney, International Harvester, General Electric, Westinghouse.

Turbines are cousins of jet plane engines harnessed to workaday jobs. They generate electricity as well as propel machines, use many fuels.

Trucking industry seeks higher load ceilings for high-speed highways so trucks can take advantage of turbines.

Industry salesmen estimate 16 million horsepower in turbines are installed here now, not counting airborne turbines. This year's sales may total 2.5 million horsepower at about \$80 per horsepower.

Where do you start looking for modern municipal communications?



Right here—with this man—a Bell System Communications Consultant.

He can show you how Bell System Community Communications can help improve the safety and welfare of all your citizens. And do these jobs as economically as possible.

Our Communications Consultant will also see that Community Communications will fit the needs of your town.

He'll handle their installation and check on their operation and maintenance. He will also keep you constantly up-to-date on new developments in municipal communications.



For fires, police protection, accidents, the Emergency Reporting and Dispatching System links all public safety agencies with one modern communications system.

Easy-to-use Emergency Reporting stations—located throughout your community—put callers in instant contact with a trained dispatcher at fire or police headquarters.

The dispatcher gets all the details of the emergency by voice. So he knows what men and equipment to send right to the scene.



For volunteer fire companies, the Group Alerting and Dispatching System lets the dispatcher contact all volunteers with one spin of the telephone dial.

The dispatcher gives his message—the location and nature of the fire—and volunteers are alerted at home or at work over their regular telephones.

Volunteers head for the fire with no side trips to the firehouse for more information.

For more Community Communications, see the following pages:



Law Enforcement Teletypewriter Service (LETS) relays written police messages in minutes across your state or across the nation.

All messages—from routine requests to top-priority bulletins—are received exactly as transmitted, for accuracy and a permanent record.

Connections are made quickly by dialing. Operators need no license and only basic typing skills are required.



For public convenience, Public Telephone Service is a welcome addition to busy streets.

Citizens will appreciate having public telephones always nearby for safety and convenience. You'll appreciate the commissions paid on public telephones for your city's treasury.



For municipal administration, the Bell System offers many communications services, designed to sharpen office efficiency.

New dial-PBX systems—with space-saving desktop switchboards—provide fast direct dialing of both inside and outside calls so that the switchboard attendant can give incoming calls priority treatment.

And the Bell System offers telephone service to fit every office need. One telephone, for instance, amplifies conversations so people can talk "hands-free." And your regular phone can be used for dial dictation, conference calls and other timesaving services.



For you, Bell System Community Communications offer these important advantages:

No capital investment is required.

All installation and maintenance are handled by skilled Bell System technicians.

And the Bell System is constantly searching for ways to improve these services, to keep pace with the ever-growing, ever-changing requirements of the citizens of your town.

Get the full Community Communications story. Call your Bell Telephone Business Office. Ask for one of our Communications Consultants to contact you.



Bell System

American Telephone and Telegraph Co.
and Associated Companies

MORE MESSAGE

continued from page 41

a broad-range approach include the American Management Association.

One arm of the AMA, the Presidents' Professional Association, has a secluded meeting place on Lake Moraine in Hamilton, N.Y., where company presidents gather periodically to compare notes on the loneliness of command.

Another group, the Business Council, includes top men from some of the nation's largest corporations. Its semiannual meetings at the elegant Homestead in Virginia are occasions for off-the-record exchange of views between business leaders and high-ranking government officials.

A kind of summit conference of trade association executives is held at the Greenbrier in White Sulphur year. Participants discuss means Springs, W. Va., in January of each for making their influence more effective in Washington.

Wide-ranging purposes

In point of fact, businessmen use meetings for a variety of purposes. The essential ones are these:

1. To train.
2. To learn.
3. To motivate.
4. To introduce and sell new products.
5. To inform the company's various publics.
6. To present the business consensus on important issues.

Each purpose has an importance that transcends the profit-and-loss statement of any single business, although this might not be immediately apparent.

The nation's well-being depends heavily on the well-being of business. To be successful, business must have at its disposal the energies of competent and creative people. People can be competent and creative only if they are well trained, strongly motivated and well informed. If they come to their tasks so prepared, the result of their effort will be marketable and profitable goods and services.

The productive process, in turn, is one for which managers are accountable to stockholders and, in a sense, the community as a whole. If business and the community are interdependent, then it follows that the views of the businessman have a value not only to other businessmen but to society as a whole. Go over these interrelationships and it

will be evident where the word "meetings" fits logically into the sequence.

The wave of training

Since World War II there has been a dramatic surge in the practice of training and retraining managers, supervisory personnel and rank-and-file workers. This necessitates bringing people together in training meetings, or "development programs," as they are known at the executive level.

The American Management Association is the nation's prime holder of training seminars. The number it conducts each year runs as high as 1,300, ranging from 15-man workshops to the association's big 1,000-Registrant Midwinter Personnel Conference, held annually in Chicago. AMA has made a science of meetings. In its New York headquarters meeting rooms are equipped with a myriad of visual aids, sessions are run on split-second timing and even lunch breaks are designed for a light intake of food so participants can return for afternoon sessions without that overstuffed feeling that blunts attentiveness.

James Rice, himself a former AMA official, says the "fatigue factor" is one of the biggest bugaboos of the meeting planner.

"Good meeting design," he says, "should permit two-way communication. If you get this, you are taking a big step toward holding the attention of your audience. Remember, the average speaker is thinking primarily of himself and what he is saying."

Encouraging an audience to send questions up to the speaker's platform is just one way you can promote audience participation.

"Your meetings should have change of pace, variety and anything that will get the audience on its feet. All of this works back, of course, to good planning," Mr. Rice adds.

Big sell

Sales meetings reflect the trend toward greater emphasis on planning, seriousness and what the specialists call "the science of group communications."

Some of the old rah-rah can still be found in these meetings, but even the rah-rah wears a new face.

Where sales dramatizations once were used primarily to give the boys belly laughs, or a peek at shapely legs, today they are more likely to hit hard at problems facing the business.

The songs, dances, color and

meringue are not entirely gone. In fact, "industrial shows"—as such staged performances are more properly known—actually are on the increase. But they are carefully and cleverly put together by specialists who enlist the talents of high-salaried writers, audio-visual experts, professional actors, special-effects men, ad agency executives and public relations counselors.

Today's show business of selling can cover everything from a \$5,000 one-night-stand skit acquainting salesmen with the company's sales promotion and advertising plans for the coming year to a million-dollar extravaganza marking the debut of new-model automobiles.

The A. B. Dick Co. recently put an original two-act musical show on the road to introduce a new series of offset duplicators. Three months in preparation by Take Ten, Inc., industrial show producers, the musical tells how a resourceful A. B. Dick salesman breaks down the resistance of one B. A. Crank, a crotchety potential customer.

The show was first presented to 400 A. B. Dick distributors and their wives in Chicago, but company president Karl Van Tassel, sensing its subtle but potent sales appeal, decided to give it a wider audience. As a result, the show was taken to New York and then Washington, where it played to large houses of potential buyers.

Those attending were invited by mail and were handed "playbills" before sitting down to enjoy the two and a half hour production. A display of the new equipment followed the show.

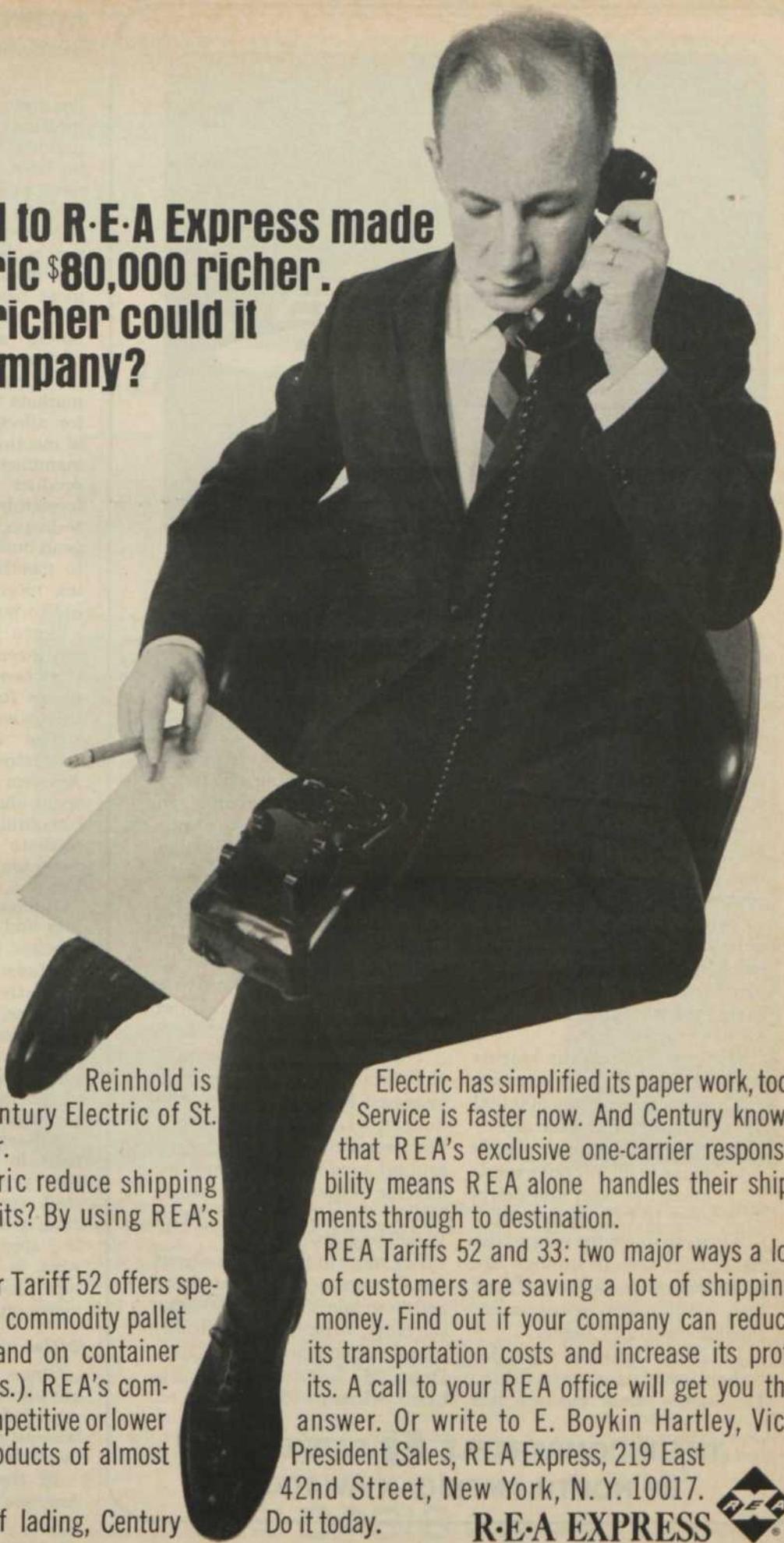
Salesmen themselves confirm the change in sales meetings. Where once they were largely a captive audience, today it is not uncommon for some sales meetings to resemble group therapy.

One greeting card company, for example, encourages salesmen attending its regional get-togethers to use the first morning and afternoon sessions to raise any question they care to, either from the floor or by writing it on a blackboard. This free-release technique, the company finds, makes the salesmen feel that they are very much a part of the meeting. Company managers answer the questions at an evening session.

Impact of decentralization

One of America's foremost authorities on meetings, Philip Harrison, publisher of *Sales Meetings Magazine*, says the rapid growth of companies in the postwar period

A phone call to R-E-A Express made Century Electric \$80,000 richer. How much richer could it make your company?



Traffic Manager Glen Reinhold is saving his company, Century Electric of St. Louis, Mo., \$80,000 a year.

How does Century Electric reduce shipping costs and increase profits? By using REA's unique Tariffs 52 and 33.

REA's exclusive container Tariff 52 offers special flat charges on mixed commodity pallet loads (up to 4,000 lbs.) and on container shipments (up to 3,000 lbs.). REA's commodity Tariff 33 offers competitive or lower rates on thousands of products of almost every description.

By using a single bill of lading, Century

Electric has simplified its paper work, too. Service is faster now. And Century knows that REA's exclusive one-carrier responsibility means REA alone handles their shipments through to destination.

REA Tariffs 52 and 33: two major ways a lot of customers are saving a lot of shipping money. Find out if your company can reduce its transportation costs and increase its profits. A call to your REA office will get you the answer. Or write to E. Boykin Hartley, Vice President Sales, REA Express, 219 East 42nd Street, New York, N. Y. 10017.

Do it today.

R-E-A EXPRESS



continued

has fostered the practice of holding meetings more on a regional than a national basis. "To some concerns," he says, "the regional meeting is now as important as the national meeting once was."

Moreover, the advent of computers has spawned hundreds of new meetings. "This complex equipment has to be explained to those who will use it," Mr. Harrison notes, "and a meeting is a good medium for doing the coaching."

Rising American involvement in markets abroad is still another factor affecting the format and locale of meetings. Increasingly American manufacturers are taking their product shows abroad, or inviting foreign businessmen to this country to inspect new product lines. European businessmen, traditionally cool to meetings, show signs of becoming more meeting-minded, according to publisher Harrison.

Some firms use foreign trips as an incentive, offering junkets to Caribbean islands, Mexico and other places for top sales producers and their wives.

The Johnson Administration's new stress on keeping dollars in America rather than having them spent abroad may, however, tend to discourage foreign trips for the immediate future in order to help solve the balance of payments problem.

Interest in decentralizing meetings and making them more mobile reaches beyond selling. To keep businessmen informed of national legislative issues and their effect on business, for example, the Chamber of Commerce of the U. S. has for a number of years been holding a series of meetings, now called "Leadership Forums," in cities throughout the nation.

Fifteen such conferences were held in February and March of this year. Chamber officials and staff specialists fly from city to city, telling business audiences what is happening in Washington—and what is likely to happen—and, in turn, sounding out businessmen's views on their home ground.

Cities vie for meetings

Since meetings and conventions are big business, obviously they are regarded as a prize by convention bureaus and local chambers of commerce.

In the nation's capital, one of America's top ten convention cities,



The longest warranty ever offered on any business aircraft!

The facts behind North American Aviation's unique 2-year/1,500-hour warranty on the Incomparable Sabreliner!

North American has doubled the warranty period on the Incomparable Sabreliner. Your company can now benefit by 24-month/1,500-hour coverage. Normal business aircraft coverage is for just 12 months.

This new warranty applies not only to the Sabreliner airframe, but also to all parts manufactured by North American. The increased warranty is possible for two reasons:

- (1) The Sabreliner stands alone in flight experience, with more than 300,000 actual hours in the air.
- (2) North American stands alone in jet aircraft experience; has built and delivered 10,453 jets to date.

These are the same reasons the Sabreliners now in business use have insurance rates of 2% or less, while other twin-jets are rated considerably higher.

In performance, too, the Sabreliner is incomparable. Doubtlessly some business jets

may be classed with Sabreliner in *one* of the leading efficiency categories; some, perhaps, in two. But only the Sabreliner offers the optimum combination of all four—speed, range, altitude, and payload.

It cruises at 500 mph...with six passengers, 240 pounds of baggage, and full fuel...over its entire range of 1,900 statute miles. And it is the only twin-jet certificated to 45,000 feet.

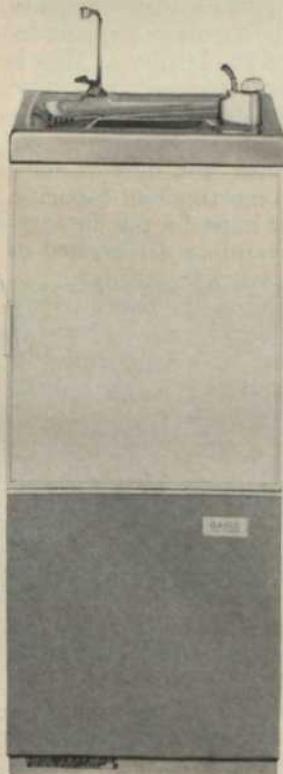
The time-between-overhaul on Sabreliner's engines has been increased from the original 800 hours to 1,300 hours. Recent improvements provide decreased ground turning radius and an increase in the maximum takeoff weight from 17,760 pounds to 18,650 pounds.

For more information about the Incomparable Sabreliner and its unique 2-year/1,500-hour warranty, write the national distributor: Remmert-Werner, Inc., Dept. 34, Lambert Field, St. Louis, Missouri 63145.

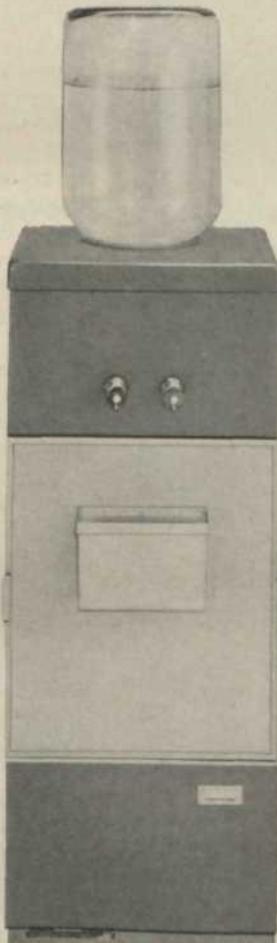
THE INCOMPARABLE  SABRELINER
BY NORTH AMERICAN AVIATION

*You should have a good reason
for wanting an OASIS Water Cooler*

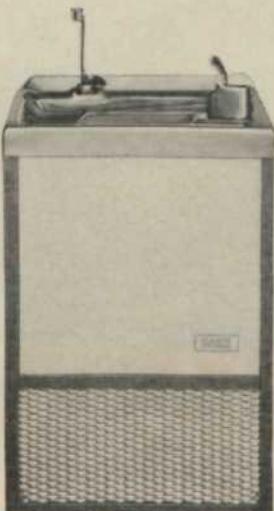
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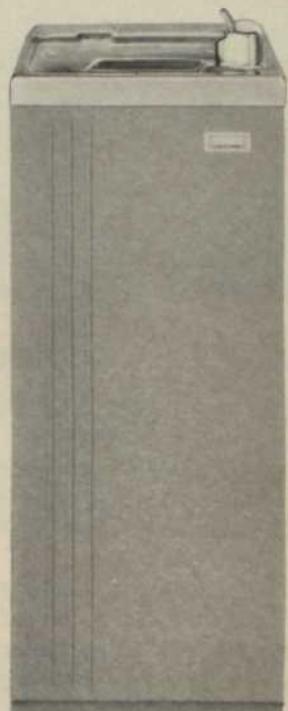
1 Coffee-break refreshment center
Hot coffee, tea, chocolate and soups . . . cool water for thirst-quenching or flavored instant drinks. Right from this handsome Oasis Hot 'n Cold unit. The spacious refrigerated compartment makes ice cubes, stores bottled drinks and snacks. Ideal for offices or plant areas with up to 37 people. Saves time, steps, money. Adds pleasure, convenience.



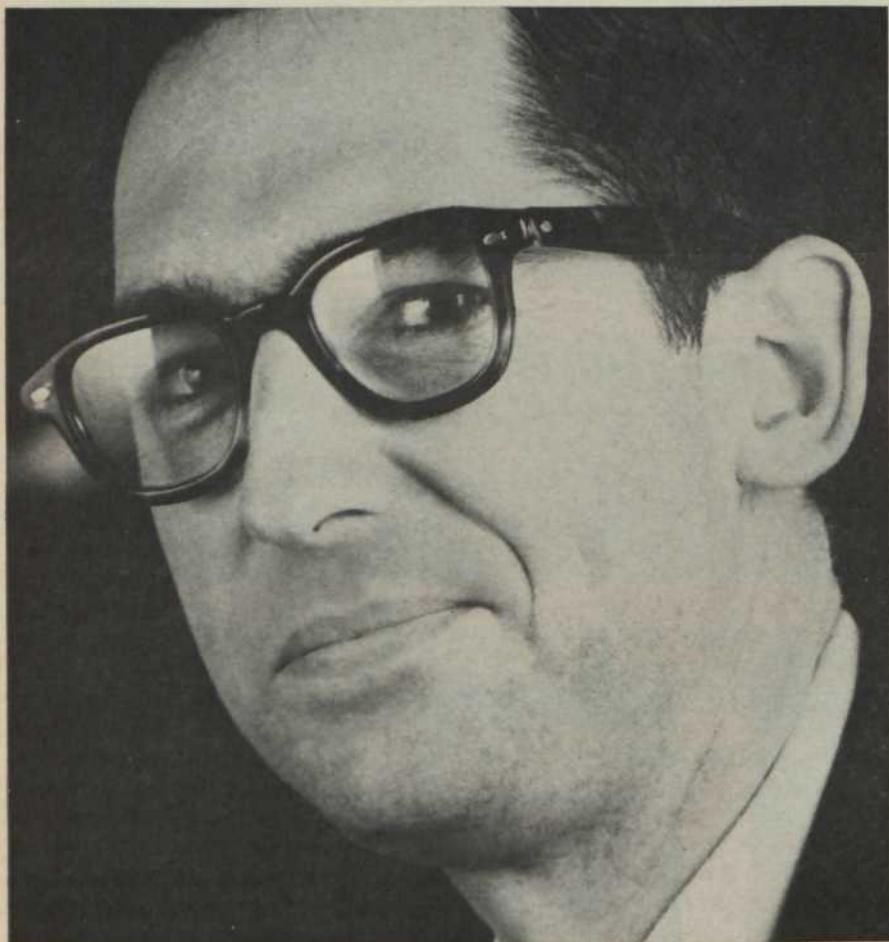
2 Cool fresh water and no plumbing
This bottle model puts a refreshment center wherever there's an electrical outlet, and no plumbing is needed. Handy drip receptor is easily removable. Available as a straight water cooler, or as shown, Hot 'n Cold unit with refrigerated compartment for ice cubes, soft drinks. See Yellow Pages, water cooler section, Oasis.



3 Trim modern design up off the floor . . . This Oasis On-A-Wall mounts flush to the wall at any height. All plumbing concealed. High styled in Chestnut Tweed vinyl-on-steel with a choice of seven custom panel colors. Carefree lustrous stainless steel top. Available as a water cooler or as a Hot 'n Cold refreshment center. Send for catalog No. 1596 on full line of wall and floor units.



4 For big capacity, hour after hour . . . When a single cooler must satisfy the thirst of many people, Oasis is the answer. Thirteen gph cold water capacity available in four distinctive cabinet styles, serves 156 people in offices, schools, public buildings. Model shown is new Against-A-Wall which can be installed with all plumbing concealed. Heavy-duty models for industrial use also available.



**"Don't talk computers to me.
I'm just a small businessman."**

Maybe so. But listen. Our FRIDEN 6010 is a low-cost electronic computer designed especially for small to medium sized businesses.

"It's not just one of those billing machines they call a computer?"

No sir. The 6010 performs *logical* decisions. It's the only desk-sized computer with an on-line random access memory. Its 6018 Disc File can store 122,880 alpha-numeric characters. It works in milliseconds.

"Is it a complicated machine?"

Hardly. The 6010 can be operated by an alert typist after brief instruction. It can compute your payrolls, control your inventory, provide exception reporting, and solve any billing problem you might have. It even plugs into a standard wall outlet.

Call your nearest Friden office for a demonstration. Or write Friden, Inc., San Leandro, California. Sales and service throughout the world.



Make no mistake about office automation: Call Friden

MORE MESSAGE

continued

Clarence Arata of the Washington Board of Trade heads a staff of 22 people whose sole business is to persuade companies, trade associations and other groups to bring their delegates to Washington. Mr. Arata and four of his aides spend a large part of each year before boards of directors, selling Washington as a meeting site.

"Look at it this way," he says. "Conventions and tourists—many of the latter here because of conventions—generated \$400 million in business in the Washington area last year alone. That makes conventions and tourism the second largest industry in this town, second only to the federal payroll."

Because more meetings are being held and more people are attending them, major cities are rushing new hotels and civic centers to completion to bid for the business. This is probably true in your own city. "Capacity" is the key word in the convention-hunters' language. To get the big ones, you have to have the hotel and meeting hall capacity, and your bid must be put in early—for big conventions are booked as much as five years in advance.

"The big jump in Washington's position as a convention center is in large part due to big additions to our hotel capacity," Mr. Arata says.

The public gains

What is often overlooked in the hubbub is the fact that meetings are the means through which business does much to achieve improvements not only in the standards and performance of corporate entities, but in the very quality of American life.

The public stands to profit from the actions of enlightened business groups. The taxpayer benefits. The citizen benefits. The consumer benefits.

Examples of how and why this is so are almost as diverse as business itself. Here are just a few recent examples:

► Trailer manufacturers organized efforts to promote safety in trailer heating units; appliance dealers conducted a drive against the hazards to children from abandoned refrigerators; floor covering dealers waged a campaign to prevent injury from huge rolls of materials on display in retail outlets.

► The National Lumber Manufac-



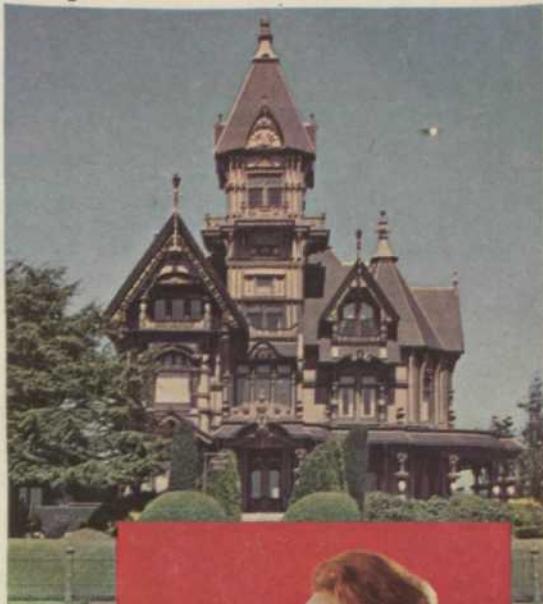
He protects your auto, your house,



your children, your spouse,



your trailer and boat.



your jewels, your coat,



your travel, your neighbors,



your limbs,

your labors.



Your

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agent covers them all.

And because he can offer such complete coverage from one source, he can help you plan a program that minimizes overlapping or gaps in your protection. Call on your USF&G agent with confidence. His experience and personal attention to small things are the reasons why USF&G is so large today.



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Have representative call.

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A collection of facts to help you
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Booklet, "Things to Check Before
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considerations in selecting a site...in
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Colorful pictures show how others
have erected Inland steel buildings
to enjoy the appearance of custom
design with the savings of
pre-engineered construction.

Tear out coupon and mail today to
Inland Steel Products Company,
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FILE OF FACTS



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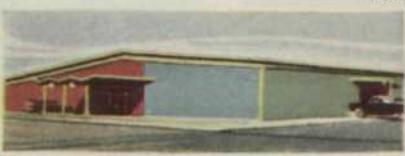
RETAIL STORES



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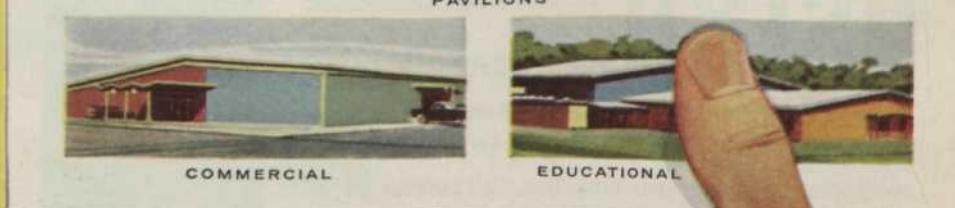
PAVILIONS



COMMERCIAL



EDUCATIONAL



MORE MESSAGE

continued

turers Association, recognizing that fraudulent grade-marking of lumber was a problem in a few sections of the country, met in Phoenix last fall and adopted a policy calling on a government-appointed standards committee of lumber producers, distributors and users to expand grade-marking requirements to end abuses.

► The American Ordnance Association, which serves government and its defense industry members through technical programs and efforts to promote national security, is pressing for adoption of uniform standards of engineering documentation. These would eliminate tons of paperwork and the staggering costs of rewriting specifications such as resulted when the Atlas missile passed in turn from the Air Force to the Defense Department's Advanced Projects Research Agency to a couple of installations of the National Aeronautics and Space Administration. The organization has already been warmly commended by George E. Fouch, deputy assistant secretary of defense, for its evaluation of the Defense Department's value engineering program—a concerted effort to improve defense hardware in reliability, maintenance capability, ease of production, parts availability, performance, economy and other factors.

Through meetings, business and professional men have been able to advance the public interest by focusing attention on the unethical practitioners and by adopting codes and standards to discourage those who would prey on the public—all in addition to furthering their own commercial, industrial or professional know-how.

This is a far cry from the complaint of one critic of trade associations, which exemplify voluntary business cooperation. Wrote E. B. Weiss in *Advertising Age* last year:

"In some association, at their annual meetings, all subjects are selected by a committee whose members are determined to have nothing said that will upset the proverbial applecart."

More accurate and applicable to today's business meetings is an observation of Walter Mitchell, Jr., an official of several financial and management groups. He wrote:

"Informal discussions of manufacturing or sales problems frequently yield value to all who participate, yet such exchanges would

never have occurred by mail between strangers." He cited, specifically, the rapid exchange of facilities and repair crews between electric utilities to cope with storm damage, an exchange fostered by contacts developed at Edison Electric Institute conventions.

Mr. Mitchell argued that "an extraordinary amount of interchange on operating problems, labor relations and costs takes place informally in those industries where a series of conventions has firmly

established the personal relationship. Time and again, the hotel lobby or dinner table conferences are as objective and scientific as might be expected of two college professors of chemistry or engineering striving to improve their science."

The activities of individual companies, industry groups and trade associations in recent years confirm his observation that they represent "a growing realization of the value of voluntary organization in a democratic country." **END**

THE PRESIDENT LISTENS

continued from page 33

these are the men who carry them out.

A third group of advisers may be dubbed the presidential cronies—men who do not work for him but in whom he has implicit faith built up over many years. There are Senators, like Richard Russell of Georgia and Thomas Dodd of Connecticut, or congressmen like Jack Brooks of Texas. There are state or local officers like Governor John Connally of Texas. There are men outside of government but knowledgeable in its workings, like Washington attorneys Abe Fortas, Clark Clifford, James Rowe and Thomas Corcoran. There are newsmen, like columnist William White.

Speaking from a more independent base than either the staff men or the high-level officials, these men are, theoretically at least, freer to argue with the President, differ with him, challenge him, present an opposition case he might not get from a member of the official family. They sometimes take on semi-official assignments, as Mr. Fortas did when he helped establish the Warren Commission after the assassination of President Kennedy.

They help out in the search for men to fill important vacancies, and sometimes become candidates for such vacancies.

They can quietly search out the traps in a proposed course of action and undertake missions requiring absolute secrecy, as did former Treasury Secretary Robert Anderson, a long-time Johnson confidant, when he sounded out French officials last year on possible areas for agreement between the President and General de Gaulle.

Finally there are the outsiders. These are influential businessmen, labor leaders, academicians and other personages in the nongovernment community to whom the President turns from time to time, occasionally for advice but more

frequently to try out plans already tentatively adopted. A proposal important to the business community, for example, may bring invitations to the White House or at least presidential phone calls for men like New York Stock Exchange President Keith Funston, American Telephone and Telegraph Co. Chairman Frederick R. Kappel, or any of several dozen other leading businessmen, including Walter F. Carey, current president of the Chamber of Commerce of the U. S.

A proposal of interest to labor will involve in similar fashion AFL-CIO President George Meany, United Auto Workers President Walter Reuther and others at the top of the union movement. And so with farm leaders, education leaders and others.

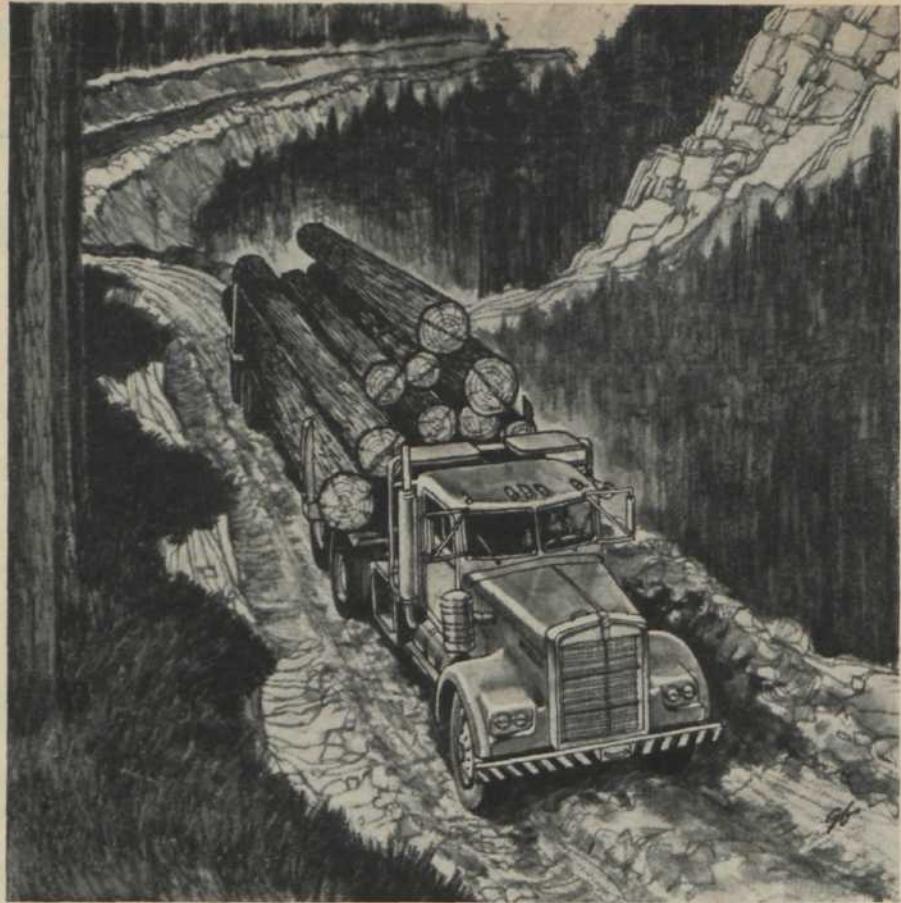
Telling as well as listening

In this way the President tests the temperature, probes for sore spots, softens up opposition before it can express itself. Occasionally, these meetings and conversations provide him with information he can't get through government channels; more often he gets reaction and argument that may help him decide whether to modify a tentatively set course.

Much of his dealing with the outsiders amounts to an imposing sales pitch. The President is a powerful talker, and his powers of persuasion—plus the ego-boosting effects of a call from the seat of power—can do much to avert wrathful opposition when a proposal or policy is finally made public.

The role of each of these groups is related, of course, to the nature of the decision-making process followed by the President. Just how he makes up his mind depends on the type of problem and its importance.

On many matters—legislative



EFFICIENCY

It takes powerful equipment, extraordinary flexibility and a resourceful industry to transport America's natural resources from inaccessible sites hundreds of miles distant. Trucks do just that, remarkably well.

KENWORTH
MOTOR TRUCK COMPANY



LISTENS

continued

techniques, politics, education, budgetary matters, farm policy, space, military affairs—the President has a vast storehouse of firsthand information accumulated during 30 years in the federal government. Constantly—from friends, callers, luncheon or dinner guests, newspapers and other sources—he updates this store of information. Thus when a new problem arises in these fields, he can react quickly, almost viscerally.

In this situation the advisers play a minimal role. The President knows better than anyone around him whether, during a campaign, he needs to make a second trip to Pennsylvania, whether a key southern senator can be persuaded to support a specific welfare proposal, how badly morale will sag if certain government officials lose their official limousines. Such matters have been his life's breath for decades.

On many other matters on which he may not have much background but which are relatively unimportant the President wants good briefings from his staff and other advisers, along with some clear recommendation. He longs for consensus—a general agreement among all concerned—when such advice comes up to him.

If the consensus is lacking he wants clearly stated alternatives, with concise arguments for and against each. With such material in hand, he makes these decisions quickly.

On really important matters that are outside his broad general background, such as crucial foreign policy problems, the balance of payments quandary, sweeping new welfare proposals, the President proceeds cautiously. He wants to talk things out, to hear all sides, perhaps buck the whole matter back to the agencies involved for further study.

Reliance on subcabinets

It is in this area that the cabinet level officials come into their own. Though Mr. Johnson seems a bit more willing to have full-fledged cabinet meetings than was President Kennedy, they are still not really working sessions. They are too large and their membership is too diffuse for that.

The National Security Council, or subgroups of that body, expanded by the addition of experts

CHRONOMETRY

Timing is a key factor in marketing today:
When are my prospects most receptive to ideas?
Is Spring too early? Is Fall too late?

ANYTIME is the right time to advertise in magazines.

Their audiences are consistent all through the year...
...consistently interested...consistently THERE...in
ALL selling areas.

If your product or service demands split-second timing in the best markets...
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magazines are the answer.

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LISTENS

continued

from the subcabinet level, apparently provided the President with a more satisfactory forum for discussing critical global problems. Periodic luncheons with Secretary Rusk, Secretary McNamara and McGeorge Bundy, the White House security expert, appear to be productive.

On other major policy moves, the President will meet with one or another batch of officials deeply involved in the problem. These will be both briefing sessions and decision-forming sessions. For example, on the balance of payments issue, he met with a group that included Treasury Secretary Dillon, Chairman Gardner Ackley of the Council of Economic Advisers, Federal Reserve Chairman William McChesney Martin, Jr., Undersecretary of State George Ball, Commerce Secretary John T. Connor and half a dozen others, including two or three White House staffers.

Meetings like these usually are not on the President's daily schedule released to the press, although word sometimes leaks out.

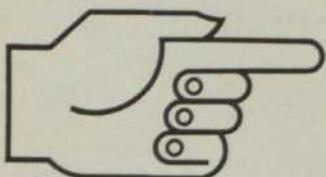
Sometimes, when a problem has been discussed at a large meeting, the President will hole up again before making his decision with only one or two of the men involved or perhaps just a White House staffer familiar with all that has gone before. And frequently on crucial matters the President will call in congressional leaders—partly to get reaction, partly to smooth the way ahead, partly just out of a sense of what is fitting, proper and advisable, sharpened by his own many years on Capitol Hill.

Like Franklin D. Roosevelt, the President he most emulates, Johnson likes to keep his advisers off balance. Frequently he will give the same assignment to several different people, apparently to see which one will come up with the fastest or best answer. Some of his aides feel that he sometimes challenges their facts or suggestions just to disconcert them. No one, no matter how high his rank, can be sure of automatic acceptance.

Defense Secretary McNamara, whom Johnson admires lavishly, was turned down on his plea for a head tax on American tourists overseas. Budget Bureau Chief Kermit Gordon, also a favorite, lost in his plea that all economy moves—the defense base closings, the VA hos-

(continued on page 83)

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DECEMBER 31, 1964

Prepared from the Annual Statement filed with the New York State Insurance Department

ASSETS

BONDS:	
United States Government.....	\$ 180,221,556
State, Municipal, Authority and other government.....	279,161,020
Railroad.....	232,380,095
Public utility.....	1,277,190,819
Industrial and other.....	2,245,914,836
	<u>\$ 4,214,868,326</u>

STOCKS:

Preferred and guaranteed.....	\$ 337,185,030
Common.....	348,611,337
	<u>\$ 685,796,367</u>

FIRST MORTGAGES ON REAL ESTATE:

Insured and guaranteed.....	\$ 1,134,258,739
Conventional loans.....	1,154,885,659
	<u>\$ 2,289,144,398</u>

REAL ESTATE:

Properties for Company use....	\$ 47,880,947
Rental housing and business properties.....	314,088,385
	<u>\$ 361,969,332</u>

MINERAL INTERESTS.....	\$ 29,973,770
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LOANS ON POLICIES.....	600,379,824
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CASH.....	42,311,423
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DEFERRED AND UNCOLLECTED PREMIUMS.....	144,330,212
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INVESTMENT INCOME DUE AND ACCRUED AND OTHER ASSETS....	79,234,052
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TOTAL ASSETS	\$ 8,448,007,704
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LIABILITIES

POLICY RESERVES.....	\$ 6,212,136,444
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These reserves are required, together with future premiums and interest, to assure payment of future benefits to policy owners and beneficiaries.

POLICY PROCEEDS LEFT WITH COMPANY AT INTEREST.....	397,432,566
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DIVIDENDS LEFT WITH COMPANY AT INTEREST.....	662,784,437
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PROVISIONS FOR DIVIDENDS PAYABLE TO POLICY OWNERS IN 1965.....	191,358,033
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PREMIUMS RECEIVED IN ADVANCE.....	54,685,513
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POLICY CLAIMS.....	44,657,215
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Benefits in course of settlement and provision for claims not reported.

MANDATORY SECURITIES	
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VALUATION RESERVE.....	235,474,644
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TAXES—FEDERAL, STATE & OTHER.....	36,610,011
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OTHER LIABILITIES.....	32,090,240
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TOTAL	\$ 7,867,229,103
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SURPLUS

SPECIAL SURPLUS—GROUP LIFE	
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CONTINGENCY RESERVE.....	\$ 5,000,000
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UNASSIGNED SURPLUS.....	575,778,601
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TOTAL	\$ 580,778,601
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TOTAL LIABILITIES

AND SURPLUS	\$ 8,448,007,704
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WORKERS VS. UNIONS

How and why members of labor's rank and file are standing up against forced unionism is revealed in these 10 case histories

INDIVIDUAL working men and women all over the country are waging courageous, solitary battles for their freedom not to join a union without losing their jobs.

They are people like:

Herman de la Rosa, of Moore, Okla., who spoke out at a union meeting and was blacklisted from work for six months.

Cecil L. Mitchell, of Tujunga, Calif., who took time off from his machinist's job to picket the AFL-CIO Washington headquarters when union officials were mapping strategy to kill right-to-work laws.

Velio Iacobucci, a Bywood, Pa., movie theater projectionist who had the audacity to seek the presidency of his union local on a voluntary unionism platform. Tossed out of the union, he no longer can work in most theaters in Philadelphia.

And Mrs. Bernice Cox, of Anderson, Ind., a reluctant member of the United Auto Workers who writes across her checks to the union: "Compulsory Under Union Shop Agreement." She says the union sometimes refuses to endorse them.

For these working people the struggles are highly personal—a matter of defending what they consider priceless rights belonging to them as Americans. They are at the same time helping resist current encroachments on management's prerogatives.

Top labor officials naturally want as many people as possible in their organizations. Their prime goal this



Tony Jorski lost his job as a construction worker after he publicly supported a right-to-work law for Oklahoma. His wife, Dorothy, got a drug store job during the months he searched for other work.



Robert Aldrich is a union man who dared to speak out against forced unionism. The result was a long series of reprisals that included smearing his name on boxcars he had to handle.

year is the repeal of Section 14(b) of the Taft-Hartley Act. That section gives federal approval to state right-to-work laws. Such laws forbid contracts requiring employees of a firm either to join the union or to lose their jobs. President Johnson has come out for change of 14(b).

If the unions succeed in repealing it, they will press harder than ever for these union shop contracts in every company. When they get them, the unions will be in a position to take the management of much of your business right out of your hands.

Problems of unionism usually are identified with heavily-populated industrial states of the East and with giant manufacturing enterprises. Yet one of the hottest battlegrounds in the fight between voluntary unionism and compulsory unionism is largely rural Oklahoma.

Unlike neighboring Texas, Arkansas and Kansas, Oklahoma has no right-to-work law and many Oklahomans have felt the heel of compulsory unionism. Last year a referendum for a right-to-work amendment to the state constitution lost by one per cent, but the issue still rages.

Ironically, among the most active supporters of right-to-work in Oklahoma, as in the rest of the country, are members of the rank and file of labor.

To find out why these Americans are defending their rights so vigorously in an age when many persons seem content to sign the whole matter over to others, NATION'S BUSINESS interviewed scores in heartland Oklahoma.

Not all of those talked with were

willing to have their names used. This is understandable. When getting kicked out of a union also means losing your job, you must be careful about incurring the ire of union officials.

Here, then, are 10 brief and typical case histories involving these Oklahomans:

Herman de la Rosa, 47, is a soft-spoken World War II Navy veteran and the father of two. Up until two years ago, he says, he never had much trouble with the sheet metal workers union he belongs to.

Then he made what in too many union locals is a mistake—at a meeting he opened his mouth in opposition. He protested against "goon tactics" used on persons, especially women, circulating right-to-work pe-

titions. He also objected to a proposal to award a \$100 bonus from union funds to a union official who helped "discourage" the petition's circulation.

From then on Mr. de la Rosa could get no work assignments. He complained that when employers came to the union for sheet metal workers, he would be passed over in favor of men with less seniority. Yet he was forced to continue paying union dues, because nearly all contracts in his area had union shop (compulsory membership) arrangements.

On the other hand, Mr. de la Rosa could not accept nonunion employment for fear of being permanently black-listed and tossed out of the union. It took six jobless

Maurice W. Lee, Sr., an industrial arts teacher, believes Negroes get a much better break under voluntary unionism.



WORKERS

continued

months to get himself into another union group.

An attractive grocery store checker in Bethany, Okla., describes what happened when the store where she works went from non-unionism to compulsory unionism.

"We didn't have a vote or anything to determine whether the employees even wanted a union," she says, wringing her hands. "It was just suddenly announced that we were to sign up. My next pay check was minus \$15 for initiation fees and \$6 dues.

"I called our personnel manager and objected strenuously, but he just replied, 'That's what the union said we should do, and that's what we do.'

"I was making good pay before the union came in. We were getting vacations, Christmas bonuses. I didn't see where I'd get any more benefits from joining a union.

"Well, I did get a \$4-a-month raise. But considering I had to pay \$6 a month in union dues, somehow I didn't feel it was much of a bargain for me."

She says the union keeps getting

stricter in its demands. Recently a notice was sent out saying that any employee working "off-the-clock" (overtime) would be fired—along with his manager. Another notice said all employees would clock out within two minutes of the scheduled time.

"I get the feeling that the union is our boss now," she laments. "They've made clock-watchers out of us. It's simply demoralizing to see everybody losing his initiative.

"I've never gone to a union meeting, but those who have tell me that it doesn't do any good. The union bosses have their minds made up on what their program is going to be and that's what they get. I feel that 14(b) is our only hope to get back some of our rights as Americans."

A group of Oklahoma college boys who were hired to work in the state pavilion at the New York World's Fair were angered when New York unions insisted they get union cards before being allowed to work. The boys said they would rather be sent home than pay initiation fees and dues. The result was that Oklahoma paid the union expenses for the boys. It was perhaps the first time a state has paid union dues.

Sandy-haired, easy-going Bob Aldrich, 38, is a switchman for the Santa Fe Railway in Oklahoma City and the organist at his church. He said that for a long time he did not know what right-to-work laws were all about.

"About two years ago I was having a discussion with some other union men, when one of them jumps up and says to me, 'You sound like you'd be for right-to-work.'

"I asked him what that meant. He said that if the state got a right-to-work law it would kill unions and make me work for \$1 an hour and there would be less jobs available.

"I said, 'Boy, if that's true, I'd better go see what's cooking.'

Mr. Aldrich got all the literature he could find on the subject from his union and from a local group backing the right-to-work amendment.

"I spent quite a little while reading that stuff, and I concluded that what that guy had told me was silly and that this state needed a right-to-work law as soon as possible."

He says many of his fellow union members who were opposed to right-to-work paradoxically thought it was a good idea.

"One guy told me I was stupid to be a member of labor and to be for a law that labor was against. But

when I asked him to tell me what right-to-work means, he didn't have the faintest idea.

"I told him that if there was anybody stupid around here it's the person who can't tell me what he's against. He got kinda mad and said he'd like to take me behind the yard office and knock my block off."

The more Mr. Aldrich talked against compulsory unionism, the more he was harassed and threatened. Boxcars switched by him were marked with vulgar drawings and inscribed, "Benedict Arnold Aldrich," "Oswald Aldrich" and "Judas Aldrich."

"A lot of people ask me why I'm a union member at all," Mr. Aldrich said. "Well, I think my voice carries a lot more weight as a member than as a non-member. But it costs me \$10 a month in union dues to make it heard."

A union official phoned him once and said, "I want you to get out of the union, I want you to resign."

"Yeah, why?" Mr. Aldrich asked.

"When we get you out we can vote a union shop."

"Well, if you vote a union shop, I'd be right back in again."

"I know," the union man said, "but then I will have more control over guys like you."

She soured on unions

Imogene Scott, a blonde, blue-eyed aircraft assembler at Aero Commander in Oklahoma City, is a leading member of "Spirits of Aero," a group of rank-and-file workers determined to keep compulsory unionism out of Aero.

She says she soured on unions as far back as 1952 when a union man came to her home trying to get her to sign a card to get a union election at Aero. The man claimed that her assembly group leader, a man she particularly respected, was solidly for the union.

"That almost convinced me to sign," she says, "but I decided to hold back because I still felt that if people work hard enough they should get what they are worth, and if they do not, they should not get the same as the person who does work hard."

"The next day I told my group leader what the man had said and he went straight up in the air. The union man had lied to me. I decided if a union had to lie to get support, I didn't want to be any part of it."

Finally a union was formed at the plant, followed by a strike for demands which the firm said would


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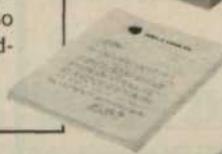
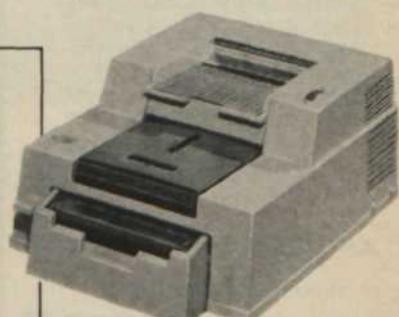
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WORKERS

continued

force it to move to another state.

"We who didn't honor the strike were the dirty birds," Mrs. Scott recalled. "Bricks were thrown through my window at home, and when I drove to work I had to put my radio on as loud as I could to drown out the names they were calling us. It just made me surer than ever that I didn't want anything to do with an organization that can turn human beings into such violent animals.

"Unions only show the sunny side of the picture—what they'll do for you. They don't tell you what they'll do to you while they're doing it for you.

"I think compulsion in anything is wrong, and if compulsory unionism ever comes to Aero, I would have to quit and give up 12 years of seniority. I won't live as a slave."

A glass cutter in Henryetta, Okla., was forced by a union shop agreement to be in a union. At a meeting he objected to the union's holding him down to 10 boxes of work a day, when he could do 24. He was fined \$5 for being out-of-order.

The next month he did not attend the meeting and was fined \$3 for missing a meeting. In seven years he claims he has accumulated \$503 in fines from the union.

Maurice W. Lee, Sr. an industrial education teacher at an all-Negro high school in Boley, opposes compulsory unionism for a different reason. He thinks it is one of the main reasons his graduates can't get jobs.

Mr. Lee, a jolly-faced, bespectacled Negro, spoke to a NATION'S BUSINESS editor in the cramped office of the factory he built. There, after school hours, he and eight employees produce Lee-invented automatic barbecue, hamburger cookers and devices that bake pies in the shape of ice cream cones.

"I'm looking for a good year, provided my men don't go union on me," Mr. Lee said with a laugh that quickly vanished.

"The sad truth is that about nine tenths of the union locals still do not admit Negroes. Many of them won't even admit white persons unless they are relatives of present members."

He points out that admission to a trade union is determined by the men in the locals and not by the policy of the union's national body. It is almost impossible, he says, for Negroes to get into union apprenticeship training programs.

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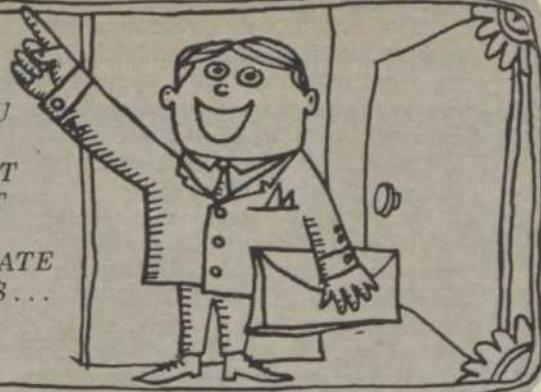
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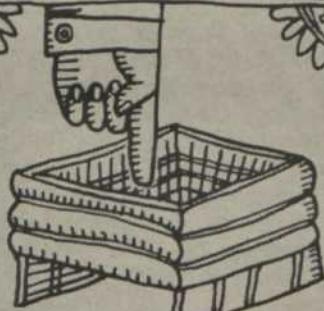
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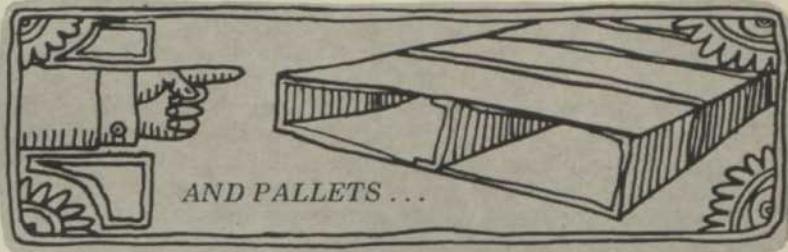
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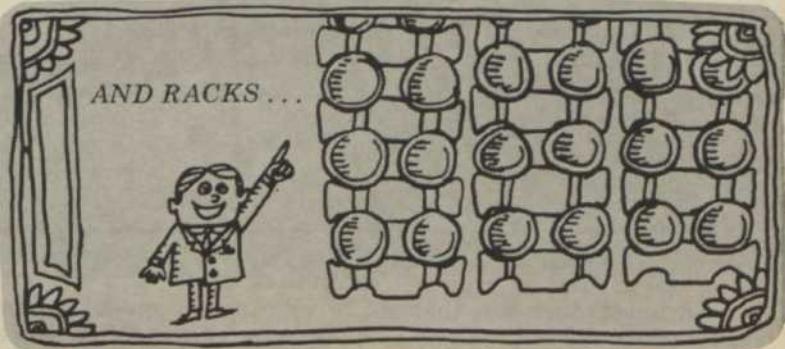
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WORKERS

continued

nine Negroes are working," Mr. Lee says. "There have been two or three attempts to put a union shop in the plant. If they get a union shop, the firm would have to let all the Negroes go. The union would not let them in.

"Today a Negro has a better chance of getting into the building trades in the South where they have right-to-work laws than in the North where they don't."

In the Tulsa area alone several firms have shut up shop and moved to right-to-work states. The last one was the 100-employee Orbit Valve firm which last year relocated in neighboring Arkansas.

One Tulsa firm that almost moved out was Frank Wheatley Pump and Valve Manufacturer. After a long strike the firm finally built up an almost wholly new corps of workers and continued production.

Union almost choked it

Charles H. Maddux, a slim, 51-year old supervisor at Wheatley, told how the union gradually assumed more and more control over the firm until it almost choked it out of existence:

"I came to Wheatley 29 years ago right off the farm. The only thing I knew about unions then was that some man named John L. Lewis was causing all sorts of disruptions by calling coal miners off their jobs.

"I was assigned to run a drill press. Up to then it was the best job I ever had. So I signed right up with the union when the man said I'd stand to lose my job if I didn't.

"At first the union contract was just a single sheet of paper. But after a few years it had grown about the size of a Sears catalog. The union kept asking for more every year. It got so a supervisor in the machine shop couldn't even touch a wrench if he saw it out of place. He'd have to go upstairs and bring down a machinist to move it."

Mr. Maddux says the thing that hurt most was a seniority provision adopted 10 years ago.

"If an opening came along in a highly skilled job on, say, a boring mill, and a lot of persons signed up for it, do you know who would get the job?" Mr. Maddux asked. "Not the man on the list with the most ability, but the man with the most seniority—even if he happened to be the janitor."

Mr. Maddux pounded a muscular

arm on the table in disgust.

"The result was decreasing incentive and increasing inefficiency," he went on. "As the equipment got more and more expensive, management wanted to get the most able, not the oldest, employees on the complicated machines."

Mr. Maddux, then an inspector at Wheatley, could see how the seniority ruling was affecting the finished product. He asked his fellow union members to accept a plan by which labor and management would decide together who was the most able man to take a new job. The idea was vetoed by union officials and shortly afterwards a violent strike erupted, lasting over a year.

Wheatley hired a new crew of non-union men and trained them to operate the machines. After a year, Mr. Maddux and 16 other former employees were asked to return and did. Efficiency rose higher than ever.

Kangaroo court gets 17

"The union held a kangaroo court and kicked all 17 of us out and put fines as high as \$500 apiece on our heads to be paid if we became members again," Mr. Maddux says. "But then they turned around and said they would drop some of the fines if the new crew would vote the union back in."

A vote on a proposal to accept the union's representation was held at Wheatley last Feb. 10. The employees defeated it, 97 to 1.

Raymond C. Losornio is president of Local 386 of the National Federation of Federal Employees. But he looks, dresses and talks like the owner of a large corporation and is one of Tulsa's strongest supporters of right-to-work laws.

"I've gone through a lot of abuse for my right-to-work stand," Mr. Losornio says. "My wife and I have gotten all kinds of anonymous phone calls and threats. But as a union man I firmly believe a person should have some say on how his dues are used."

"We don't have compulsory membership in our union and I think the result is healthy. We have to respond to the wishes of the group. If we don't the members will quit."

"An important part of my job is selling memberships. Compulsory unionism would do away with that chore. You no longer would have to be responsible to the people who pay the dues. I would rather bear that responsibility than deny members their right to choose."

Stern-faced Tony Jorski, 46, of

Oklahoma City, had his first run-in with union bosses in 1954 when he was a laborer on a river construction project. A union man told him he would lose his job if he did not pay a \$35 initiation fee to the union and \$2 a month thereafter.

Mr. Jorski paid up, but later learned that he did not have to.

Angered, Mr. Jorski started attending union meetings and asking questions, such as where the money was going and why more financial reports were not given.

When it came time to re-elect or vote down the old officers, Mr. Jorski's paid-up union book was stolen from the glove compartment of his car and he could not vote.

Mr. Jorski says he kept sending in his dues checks but he did not get back cancelled checks. Union men tried to get him fired for failing to pay his dues—something allowed under compulsory union contracts. But Mr. Jorski showed his employer his check stubs and convinced him that he was still a union member.

The day after Mr. Jorski's picture appeared in a newspaper advertisement in support of the right-to-work amendment, however, he lost his job. This time the union closed ranks on Mr. Jorski so he could not get on another construction crew in central Oklahoma. For nearly 10 months he was out of work.

"We were smart enough to have a little money saved up," Mr. Jorski says, leaning back in a big, living-room easy chair. His wife Dorothy, who got a job in a drug store when her husband was out of work, approves thoroughly of his stand against the unions.

"It's the right thing," she called out from the kitchen between clinks of dishes. "This is still America, you know."

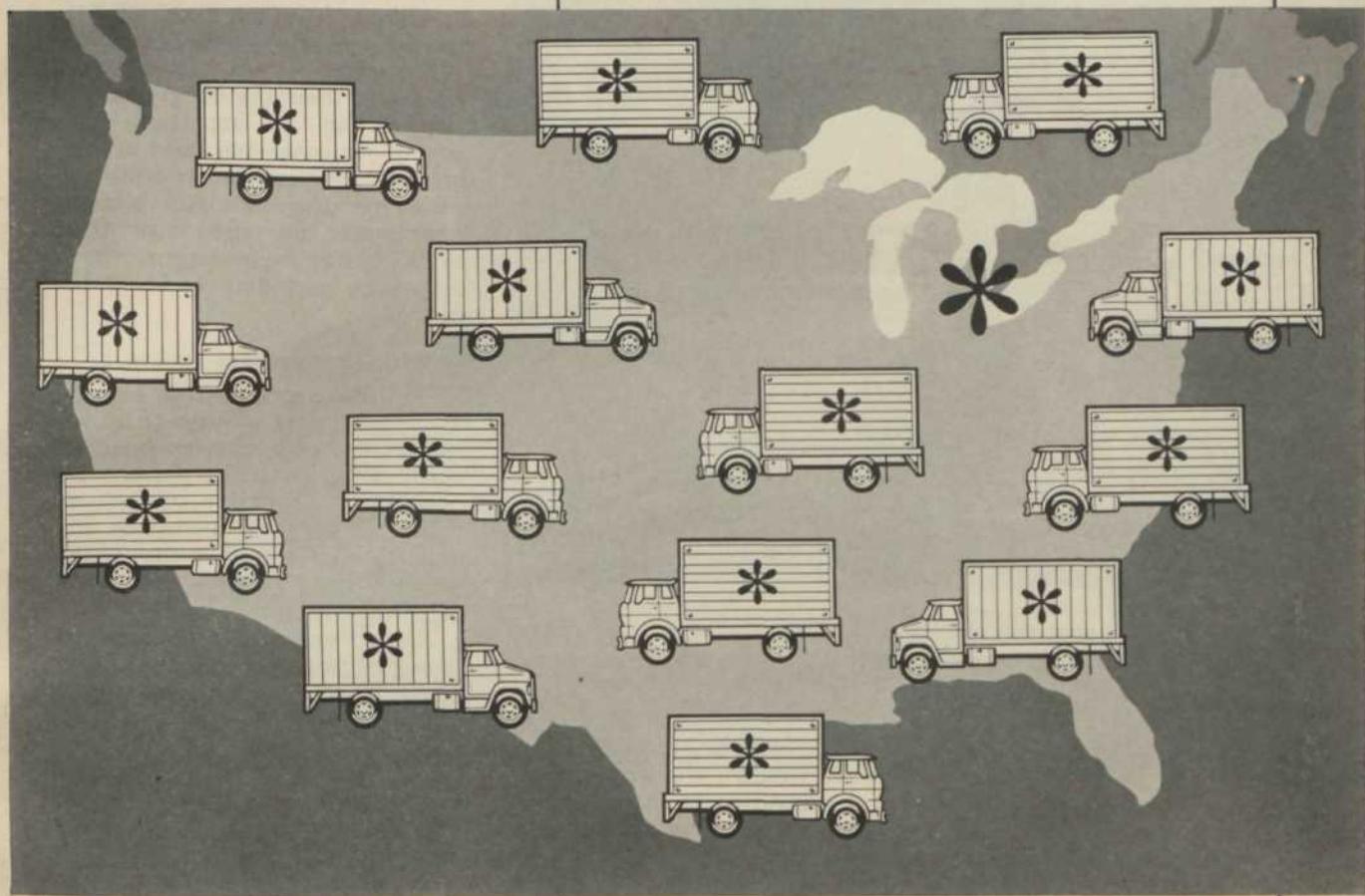
Mr. Jorski finally got a nonunion mechanic's job paying \$75 a week. He had been making more than \$100 a week on construction jobs.

"I've never been happier," Mr. Jorski says, "because I know I can get more if I'm worth it. I can deal directly with my boss now. I don't need a union to talk through. The difference between \$100 and \$75 is what the union would have me sell my freedom for."

END

REPRINTS of "Workers vs. Unions: 10 case histories" may be obtained for 30 cents a copy, \$14 per 100, or \$120 per 1,000 postpaid from Nation's Business, 1615 H Street, N.W., Washington, D. C. 20006. Please enclose remittance with order.

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FRED WARD—BLACK STAR

Internal Revenue Commissioner Sheldon S. Cohen inspects one of seven data processing centers now handling 6.5 million business tax returns.

and confidence of American taxpayers.

If confidence in our tax system breaks down, we are in real trouble. I therefore believe, as Commissioner, that I have a special responsibility to see our tax laws administered honestly and fairly, to keep our own house clean, to fight corruption wherever discovered and to make sure our tax system is not contaminated by the excesses of the foolish few.

Won't strain law

The Revenue Service will continue to emphasize integrity and objectivity in tax administration. Strained interpretations of the law must be avoided. Issues will be raised only on merit, never for trading purposes, never solely to win cases.

We are attacking the persisting myth that agents have dollar and case quotas to meet. We have re-appraised the status of revenue agents and have developed a new rating system to evaluate them as professionals. Criteria are over-all performance, professional attitude, courtesy and new tax audit guidelines to assist agents in conducting professional audits.

These reflect what I consider attacks against the more sophisticated challenges to integrity. I put it that way because I think of integrity in a broader sense. Just as I would

condemn offering or soliciting a bribe, so would I condemn the taking of a position in litigation by a government attorney on the basis of the money at issue alone.

It is my belief that the importance of litigation to the administration of the tax laws is not measured by the relatively small part of the more than \$100 billion in revenue collected through litigation but rather by the effect that a position taken by the Service in litigation has on the shape and development of the law.

It is easy, in handling a particular case, to focus solely on the money at issue and to ignore or underestimate the broader effect of the case which must govern our litigation attitude.

The tax code does not provide all the answers. Many questions arise for the first time in litigation. The position taken must represent the interpretation the Service wants because it is the best and most reasonable, the interpretation which makes the maximum contribution to a sound, wise tax system over the long run.

This policy has gained acceptance throughout the chief counsel's office, and Mitchell Rogovin, the new chief counsel, is also in complete agreement with this policy.

I am pleased to report that this policy has the wholehearted cooperation of Assistant Attorney

General Louis Oberdorfer, who is in charge of the tax division of the Department of Justice.

Providing service to aid taxpayers in their tax obligations has always had an important place among our goals—but now, in keeping with the new climate and in focusing on more effective voluntary compliance, we also have taken steps to bring even better service to taxpayers, including business taxpayers.

Service for business

The Revenue Service provides aid in a number of ways to all—the wage earner, the professional, the small proprietor, the farmer, the corporation. But due to the very nature of business operations, it is understandable that many of our services are of specific and direct benefit to business.

A good example of this is found in our advance tax rulings program, where about two thirds of the 40,000 rulings we issue each year are made at the request of business entities. This is a vital service to businessmen, helping them in planning transactions and anticipating tax liability.

We believe ours is the only government in the world that issues tax rulings in advance of the completion of transactions as a regular service to taxpayers. I have heard both high government officials and corporation executives wonder how American business could function without our effective tax rulings procedure.

Our rulings program deals with simple problems and quite complex areas. We are asked to rule on whether individual items of jewelry are subject to federal excise tax and, at the other end of the spectrum, on extremely complicated domestic and foreign reorganizations of of large business firms.

Traditionally, there are two areas in which we do not rule.

One is where questions of fact are involved, such as the market value of property, or reasonableness of compensation. These are best determined in an audit of a taxpayer's return after a completed transaction.

The other area in which the Service will not rule is that of spurious transactions, or so-called tax gimmicks. Advance rulings are discretionary and made only when consistent with sound tax adminis-

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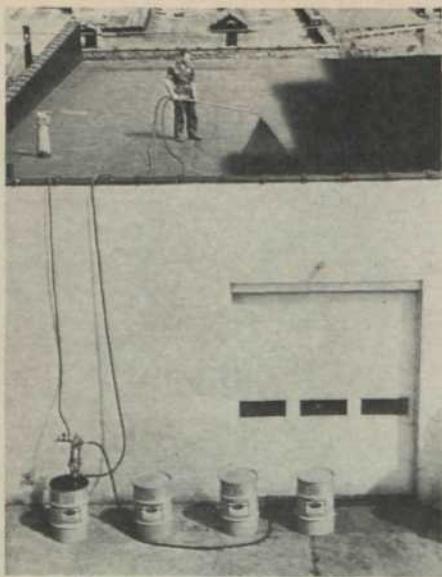
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TAX COLLECTOR

continued

tration. So we do not rule on transactions such as these, which appear to be designed for tax avoidance.

We fully recognize the need to continue providing advance tax rulings. We are adopting, on an experimental basis, a new procedure for issuance of rulings on certain prospective transactions. Under this new procedure the taxpayer will be permitted to submit a summary statement of facts he considers controlling the issue, in addition to the complete statement required for all ruling requests. We hope this summary will expedite the processing of ruling requests.

Cooperation with associations

We have been seeing a remarkable increase in the rapport between the business community and the Revenue Service. On broad issues having industry-wide significance we will make every effort to seek the advice of the trade associations of the various industries on taxpayer problems.

Many business executives have taken the time to participate in discussions which resulted in our understanding of their interests and, thus, in the development of rules which take into account the operating problems of business.

We will continue to keep open our lines of communication with business in order to give full consideration to all views prior to making decisions of importance. In the tax area we cannot claim exclusive wisdom. We need the help of businessmen—as managers, as individual taxpayers—in many matters which affect the national interest as well as business well-being.

A case in point takes us back to 1961, when we held a conference with some 600 businessmen and tax practitioners on the impact of the then-planned conversion to automatic data processing. We wanted to be sure businessmen understood the new system and had a chance to present their ideas.

We also held a conference with business groups to discuss how dividend and interest payments would be affected by the taxpayer account numbering system. Here we asked for advice before we drafted proposed regulations.

We have maintained for many years and will continue to maintain active working relationships with the tax bar and business and accounting societies, such as the Tax

Executives Institute, American Bar Association, American Institute of Certified Public Accountants, National Society of Public Accountants and others.

Another valuable liaison point with the business community is set up in the area of tax form revision. Our forms committee meets regularly with members of national business, law and accounting groups to discuss proposed changes in the forms and to receive suggestions.

Finally, let me mention the Commissioner's Advisory Group, which we have had in the Revenue Service for some years and which I intend to continue. We have found the membership to be a most valuable sounding board for contemplated action. The group consists of 12 distinguished lawyers, accountants, business executives, economists and others selected on the basis of prominence in the tax field.

This group comes to Washington every three months for a two or three-day session with top Revenue Service officials. They give us the benefit of their thinking on every phase of tax administration. They have made outstanding contributions toward current and future programs to improve tax administration.

We issue approximately 60 publications in nontechnical language to provide taxpayers with a means of self-help. The best seller of the group is "Your Federal Income Tax." Another very popular and useful booklet is "Tax Guide for Small Business."

You may be familiar with what has become a feature of our educational effort, "Mr. Businessman's Kit," which is of special value to the small businessman. These kits are delivered by Revenue Officers personally in some of our districts, and they have led to better compliance through better understanding of taxpayers' obligations.

Businessmen benefit by receiving clear and timely instructions designed to keep them out of trouble, and Internal Revenue benefits by eliminating at the source many problems otherwise handled later by enforcement officers.

Automated taxing

After three years of operation, results now show, our automatic data processing system is a success. It is coming to be an increasingly efficient tool in reshaping our system which will enable us to cope with a rapidly expanding work load as well as helping serve business better.

Let me itemize briefly some facts



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—Donald E. Semling, President, Wisconsin Window Unit Co.

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TAX COLLECTOR

continued

which lend support to my optimistic appraisal. Individual taxpayers reported \$2 billion more in interest income on returns filed in 1964 than on those filed in 1963. The amount of interest income reported rose 28 per cent in 1964 over the previous year. The number of returns from taxpayers reporting interest income was up 45 per cent. In dividend reporting, the number of returns was up 20 per cent over 1963, and the amount of dividend income reported in 1964 was likewise up sharply over 1963.

With little hesitation, I credit our ADP system and the public's awareness of the system's capabilities for most of the increase in interest and dividend reporting.

Expansion of our ADP system on a nationwide basis continues on schedule. On January 1, 1965, as planned, all seven regions were processing business returns under the master file concept. At the end of this year, the business master file will contain 6.3 million taxpayer accounts of small and large business firms.

Our ADP schedule calls for each region entering the system to begin by processing business returns. After two years the region then starts processing individual returns.

At present the Southeast and Mid-Atlantic Regions are processing individual tax returns under the master file concept. The remaining five regions will be phased into the system by 1967, at which time we will have some 70 million individual taxpayer accounts.

An important part of ADP involves the Internal Revenue Service's magnetic tape reporting program, which has as its purpose the development of procedures under which business will be permitted to report certain information to the Revenue Service on magnetic tape rather than on paper forms. For a number of years, many employers and payers of interest and dividends filing Forms W-2, 1099 and 1087 have expressed interest in the possibility of magnetic tape reporting. Obvious cost advantages would accrue if substantial numbers of these information returns could be accepted in the form of magnetic tape. The information received on tape could be entered directly into the ADP system and, thus, bypass the intermediate transcription operations required to process paper forms.

The Revenue Service is now well along with a pilot tape-reporting program under which arrangements have been made with a sample group of taxpayers for the receipt of magnetic tape in addition to the Forms W-2, 1099 and 1087 ordinarily required. These forms, because of their high volume (approximately 250 million each year), are very attractive candidates for magnetic tape reporting. The experimental program is designed to measure the effectiveness of magnetic tape reporting specifications with a view toward making them as acceptable as possible to both taxpayers and the Revenue Service for operational use.

Experience gained from this pilot study should enable the Revenue Service to establish a continuing tape reporting program beginning next year, with provision for expansion of the program in subsequent years. This expansion will necessarily be quite gradual since arrange-

Who has the President's ear?
He is listening to some advisers more than to others.
See page 32.

ments for filing magnetic tape must be negotiated on a payer-by-payer basis in order to assure compatibility of data.

The timetable for the pilot program calls for the receipt of magnetic tapes covering 1964 payment information by early in the year. Analysis and evaluation of the adequacy of the specifications will be made by July 1, 1965. The establishment of final reporting requirements applicable to 1965 and later payments will be by August 1, 1965.

The American system of self-assessment and voluntary payment is testimony to the mutual trust between the taxpayer and his government. The Internal Revenue Service will strive to strengthen that trust.

One of the most effective ways to do this is by administering the laws given us in the fairest, most impartial, most equitable manner we know. We will continue these efforts. But in this we need the help of businessmen and individuals alike — so that we can all take pride in meeting our responsibilities as free citizens in a free society. **END**



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Test your leadership skill

Keeping your people enthusiastic enough to produce at a top rate is probably the most valuable management skill you can have.

The following quiz concerns this skill. It lets you compare your beliefs with conclusions of researchers and personnel experts. No one pretends the answers are final. But behind each answer is enough evidence to be worth your consideration.

- 1.** Once you find the chief incentive that spurs an individual, it will always enable you to motivate him. True or false?
- 2.** Money is not necessarily everyone's No. 1 incentive. True or false?
- 3.** What order of importance do most employees assign to the following aspects of their job:
 - (a) Authority to work on their own?
 - (b) Openness of communications between themselves and higher management?
 - (c) Pleasant working conditions?
 - (d) Support they get from their superior?
- 4.** Generally, what age group needs most to be motivated by management?
 - (a) Young employees?
 - (b) Those with experience and maturity?
- 5.** To stimulate enthusiasm, is it preferable for wage and salary reviews to be made at regular intervals?
- 6.** Physical working conditions are rated by employees as:
 - (a) Very important?
 - (b) Moderately important?
 - (c) Unimportant?
- 7.** Psychological working conditions—relations with superiors and co-workers and a sense of belonging—are rated:
 - (a) Very important?
 - (b) Moderately important?
 - (c) Unimportant?
- 8.** How would a group of employees react to being shown that another group had done exceptionally well, then being asked to match that effort?
 - (a) They would try hard to compete?
 - (b) They would be annoyed and react negatively?
- 9.** Do you think demoting an individual who proves inadequate for a particular job is likely to spur him to make a fresh start?
- 10.** People are so concerned about their own work that they care little about the ultimate products or the effects of their operations on other people. True or false?

REPRINTS of "Test Your Leadership Skill" may be obtained for 25 cents a copy, \$12 per 100, or \$90 per 1,000 postpaid from *Nation's Business*, Washington, D. C., 20006. Please enclose remittance with order.

Answers

1. False. Studies involving 10,000 employees have shown that each worker has a whole series of personal needs he strives to satisfy. Follow-up studies over a ten-year period indicated that the priority a person gives to each need tends to keep changing. The management that is alert to this can get better long-term results by periodically shifting emphasis among the various incentives it offers.

2. True. Money is basic, of course. Unless satisfactory compensation is included in the package, other inducements will not do much good. But many studies in the United States and overseas have shown that most workers respond more to other incentives. Such factors as choice of work and personal responsibility rated higher in some surveys, for example.

When it comes to spurring creative effort, Albert F. Watters, a former General Foods Corp. vice president who is now chairman of Industrial Relations Counselors, Inc., New York, finds that a feeling of mutual involvement with the company and a sense of communication with higher management rate higher than compensation in stimulating an employee's creative efforts. Compensation "attracts and retains superior people, encourages them to strive for advancement, and so helps to create the positive climate within which people work. But the full power of financial incentives is not released until the needs of the whole man in his work environment are satisfied," Mr. Watters declares.

3. Judging from a survey of 975 nonsupervisory employees of a nationwide transportation company, three of these items are closely linked to high performance. They rank in this order: (b), (d), (a).

4. The likely answer is (b), although more research is needed. Prof. Hyman Meltzer, of Washington University, St. Louis, asked 141 industrial employees of various ages what years in a worker's life span they classed as good and what years as bad. The vote heavily favored 20 to 35 as being the best years, and 45 was rated as the start of the unfavorable years. This is a clue that people of 45 and over probably need extra attention to make them feel that they have a future worth being enthusiastic about.

5. Although many companies grant pay increases on an annual basis, more and more executives question the effectiveness of this incentive. Those who get raises each year for several years running begin to take them for granted. Those who are skipped in a given year usually suffer a letdown. Pay reviews at irregular intervals—and occasional boosts given as

prompt recognition of special effort—are worth considering for key people.

6. The answer is (c), based on at least three recent probes. In a Wabash College study, for example, a large group of industrial supervisors was asked in confidence what factors they regarded as most important in their work. Work conditions ranked very low.

7. (a). This kind of environment—the people a man has to work with—is very important. Many surveys have proved how much weight people give to their relations with an immediate boss. But a study of Air Force noncommissioned officers showed that troubles even with fellow airmen, as well as with superiors, can be the root of failure to succeed in performing hard tasks. Professor L. J. Bhatt made the surprising discovery that even in Mysore, India, where many workers are still far from able to buy basic necessities, they rated congenial co-workers as an incentive more important than security, wages, hours of work or paid holidays.

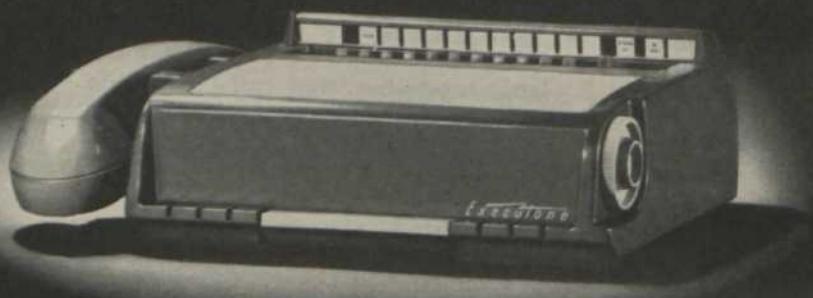
8. The indicated answer is (a). Researchers at Abilene State School tested the capacity of large groups of workers to change their attitudes quickly and adapt to changes in company policy. One method tried was reasoning and explaining the need for change. A second was to appoint a group of 11 men with supervisory responsibility to mold worker opinion. The third method was to select an exemplary group and point out what it had accomplished as an example to be copied. This last way worked best. It indicates that competition, particularly where team showing is involved, is an important motivation.

9. It may work in rare cases, but don't count on it. Douglas M. More, of Nicholson-Kohn Associates, St. Louis, finds that demotion in a wide range of U. S. firms has had mostly bad effects—decreased productivity, less creative effort, loss of loyalty, more chronic illness, abuse of privileges.

10. False. L. W. Greenfield of Wabash College found that many industrial supervisors consider the chance to see the concrete results of their work a very important reward. Many other research projects aimed at different subjects have turned up repeated hints that superior workers feel dissatisfied unless they have a sense of contact with the eventual outcome of their work. This is one area in which almost every company could do more to give people greater satisfaction and thereby reap better performance.

—CHARLES A. CERAMI

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THE LAND OF LBJ

continued from page 37

with the "r" before the "d". The overlapping of Johnson interests across county lines has touched off considerable rivalry among local booster groups along the river. It also enables many different areas to claim kinship with Mr. Johnson.

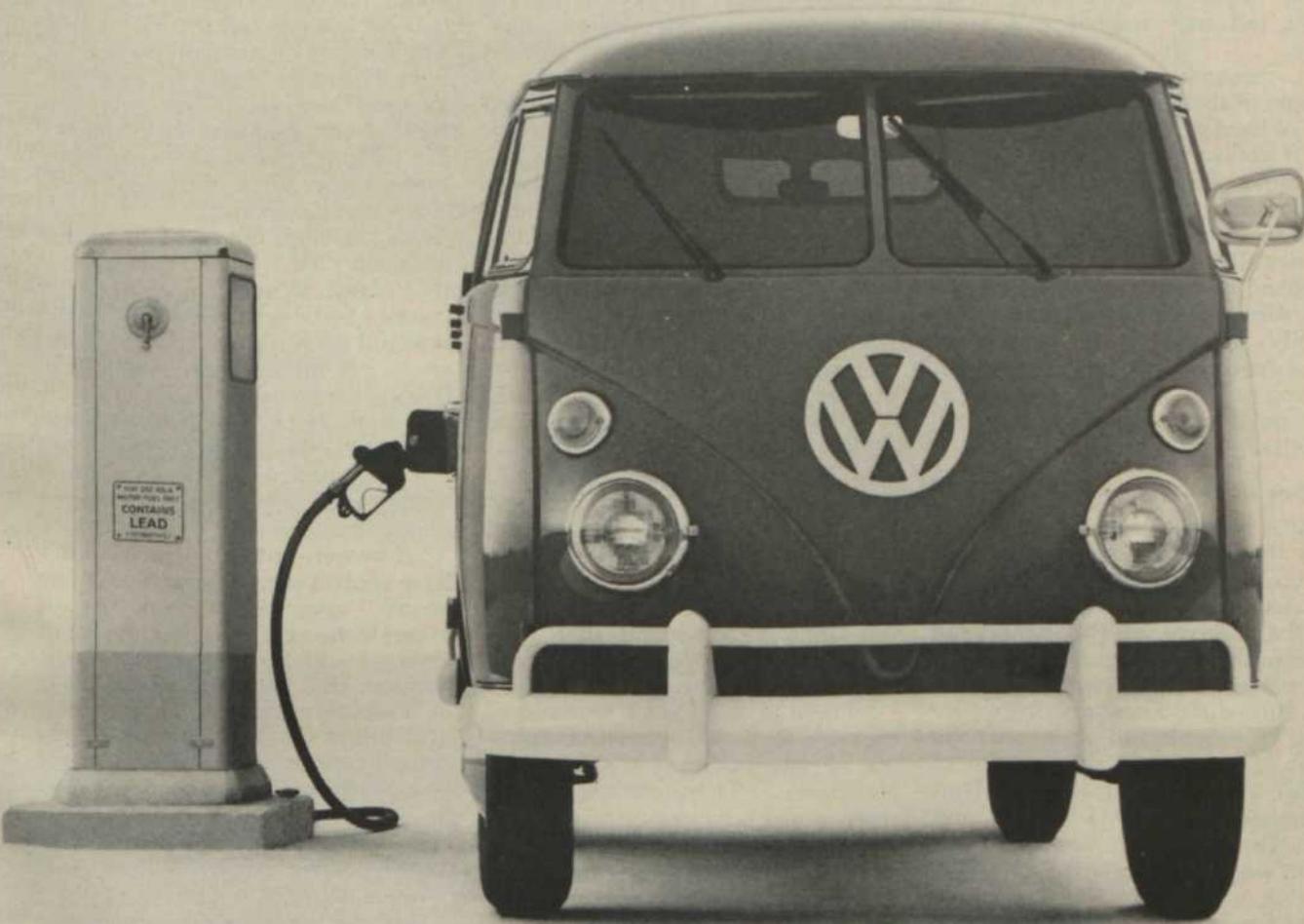
"We have a feeling of nearness to the President," says T. H. Cunningham, editor and publisher of the weekly *Llano News*. "He has some sizable holdings in the county." As you'd expect, Mr. Johnson carried his home counties easily last November.

The chief money-making activities are ranching—raising cattle, sheep for both wool and meat and Angora goats for mohair. There's been a splurge of turkey-raising lately. Peaches are a specialty. A new money-raiser is deer hunting; ranchers average about \$1 an acre annually by leasing hunting rights on their property.

Rising land values make it difficult for local ranchers to buy or lease the land they need to expand operations, local people complain. As the growing efficiency of American agriculture brings down the spread between prices received and costs, ranchers need more land to feed more animals to bring in the same or more income for their families, they explain. The result is that many ranchers are taking jobs in towns in addition to their agricultural activities. Perhaps surprisingly, there seem to be few gripes about this situation.

"Every rancher is broke, to hear them tell it," says Editor Cunningham, with a chuckle. "But all of them I know seem to be doing pretty good. They have whatever they need and drive a good car."

Few talk about seeking more aid from the government. There was some agitation last year for government action to restrict beef imports. But it didn't get very strong, local ranchers say. Highly alert to the workings of international trade and domestic economics, ranchers will give you an explanation of how artificial restrictions on foreign imports here can lead to restrictions on U. S. goods sold abroad, the impact of such action on sales and employment by companies in industrial centers and the consequent blow to domestic beef sales at home. Indeed, concern over the nation's problems surrounding the balance of international payments and outflow of gold pops out surprisingly



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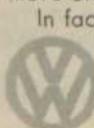
The VW engine almost never needs any

between changes.

It shouldn't be for new tires, because a set lasts a Volkswagen 35,000 miles or more on the average.

In fact, there's almost no reason at all for a Volkswagen being in a filling station.

Unless the man at the filling station owns one.



THE LAND OF LBJ

continued

frequently in talks with ranchers and businessmen.

A visitor finds little outspoken concern about high taxes. Lower taxes would be fine, says one rancher-businessman, but nobody is campaigning for a cut. On the dangerous Vietnam tangle, people appear content to leave it in Mr. Johnson's hands. "There is so much we can't know about Vietnam and that he can't tell us," reasons one ranch wife.

A recurrent theme among the people in the land of LBJ is the virtue of hard work.

"If you've learned to work, you'll get along okay," volunteers a friendly waitress in a green sweater behind the counter of Kermitt Hahne's Stonewall Restaurant. She and her husband operate a small ranch and she serves food to supplement the family income. "We learned to work hard as kids and that's good. If you're not afraid to work, you will be able to get along in emergencies."

Big or little—no in-between

At a nearby plastic-topped table, wiry, black-haired Simon Burg sips a cup of coffee and voices similar convictions. He's known jokingly as the "Mayor of Stonewall," an unincorporated community. The son of a pioneer storekeeper thereabouts, Mr. Burg distributes spraying equipment, chemicals and other products over all or parts of 70 counties in Texas for such companies as Dow Chemical Co., A. O. Smith and John Bean. He also runs cattle and grows peaches, among his many activities.

He has put two sons through college and they now work with him in Stonewall. A third is studying medicine.

"You have to get big or stay little these days. There's no in-between," Mr. Burg declares. "In other parts of the state, little places like Stonewall have become ghost towns. But that isn't happening here. Around here, the old boys are tough. They're not going to give up. They're still farming but they're doing something else, too."

Get on the theme of hard work and Pedernales people almost automatically start talking about today's youth. There are practically no juvenile delinquency problems in the area that anyone knows about "and we want to keep it that way," Mr. Burg says. So there's considerable

effort in the area to provide activities for today's children.

"When you have juvenile delinquency, you really have delinquent parents. That's how I look at it," says Mr. Burg. "I think the real trouble is that many kids aren't given enough responsibility these days. I'd trust my cash box with my or any of my neighbors' children." And he has little sympathy for people in government and elsewhere who complain it costs \$2,000 a year or more to send a student through college. He says he put his sons through colleges for less than half that because the boys worked part time.

People in the region unemployed for other than reasons of personal misfortune find little sympathy.

"Anybody who wants to work can get a job. I don't care what anybody says," Mr. Burg declares vigorously. He reports that each summer in recent years he has posted notices for peach pickers at employment headquarters in San Antonio. But no one ever shows up. So he imported Mexican workers through the braceros program under which the U. S. imported farm workers via an agreement with the Mexican government. However, the program was ended at the end of 1964.

Why workers are in demand

There's a conviction that both employers and employees have rights—and responsibilities.

"These people aren't antiunion," explains E. A. Weimar, manager of the Fredericksburg Chamber of Commerce. "They just believe that when a man puts money into a business he should have control over it. If they pay a dollar in wages they expect to get a dollar's worth of work. And they'll get a dollar's worth of work because the workers believe in giving it." For this reason, he says, workers from the Pedernales area are sought by employers in other parts of central Texas.

They're sought after by local employers, too.

One seeker is Melvin Winters, a big, good-humored man in his mid-fifties who is president of the M. C. Winters Construction Co. Mr. Winters came to Johnson City as a youth in 1928 driving mules on construction jobs. He stayed to organize his own firm during the depression. His company specializes in grading and base work for highways, dams and similar projects, mostly in Texas. A framed, autographed picture of LBJ hangs on his office wall.

Mr. Winters wears khaki pants and open-necked shirt and dusty brown boots but talks in millions. He says his company does about \$5 million in gross business annually compared to less than \$1 million 10 years ago. He bought \$1.4 million in new equipment last year ("If you don't keep up with the most modern equipment, you're out when it comes to bidding") and employs 200 people.

"Workers in this area are very industrious, good workers," he reports. His only problem is that they hate to leave home for long spells. The company has highway jobs in west Texas, for example, and likes to send key equipment operators there from Johnson City. "But," Mr. Winters says in sympathetic tones, "they like to come home whenever they can."

The Winters firm isn't unionized although Mr. Winters estimates that about 85 per cent of his crew belongs to labor unions. He thinks it would be a mistake to force workers to join unions and companies to be organized by unions. Texas is one of 19 states that have right-to-work laws. These laws make illegal any requirement that workers join a union as a condition of employment.

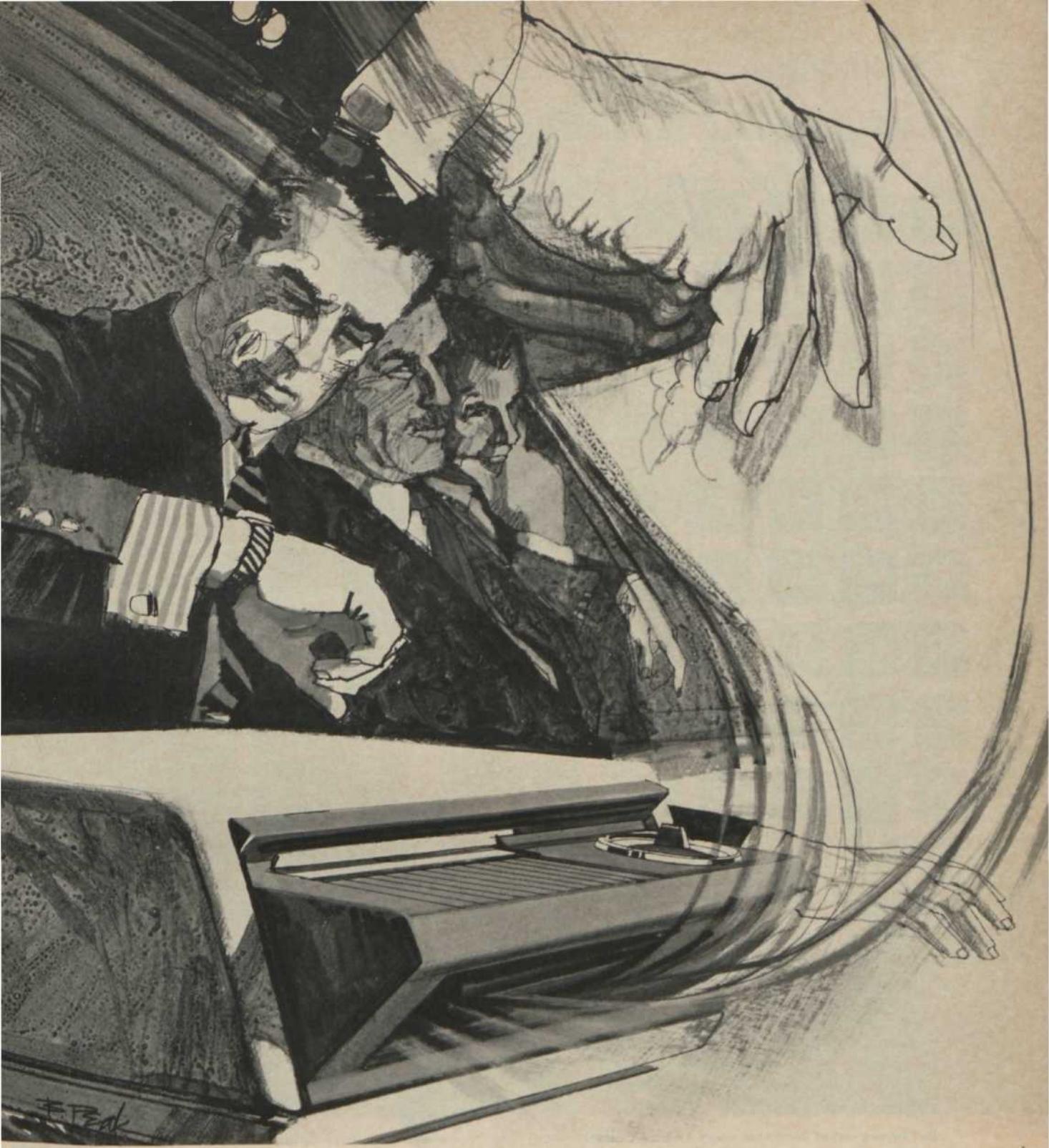
"If we were unionized, we wouldn't have control over the best use of our people," says Mr. Winters. As an example, he says the company often employs a highly skilled equipment operator on a less complicated piece of machinery in order to have him available in case of emergency. This actually costs the company extra because the operator is paid the rate he would get if he were doing the more skilled job. Unionization would prevent such practices, Mr. Winters believes.

He says his company matches or exceeds union-set pay scales in areas where it operates. He estimates the firm pays 10 to 15 per cent over minimum wage scales set by the government on federally financed highway projects.

"By paying more, you get a little bit better man. He'll work harder for you," Mr. Winters declares. He also believes the employer profits by giving other assistance to employees. "People live close to the belly around here," he says. They sometimes need loans to get them over some hurdle. The company will often lend them money in such periods and almost always gets repaid.

Emphasis on brains—not brawn

But for all the emphasis on the



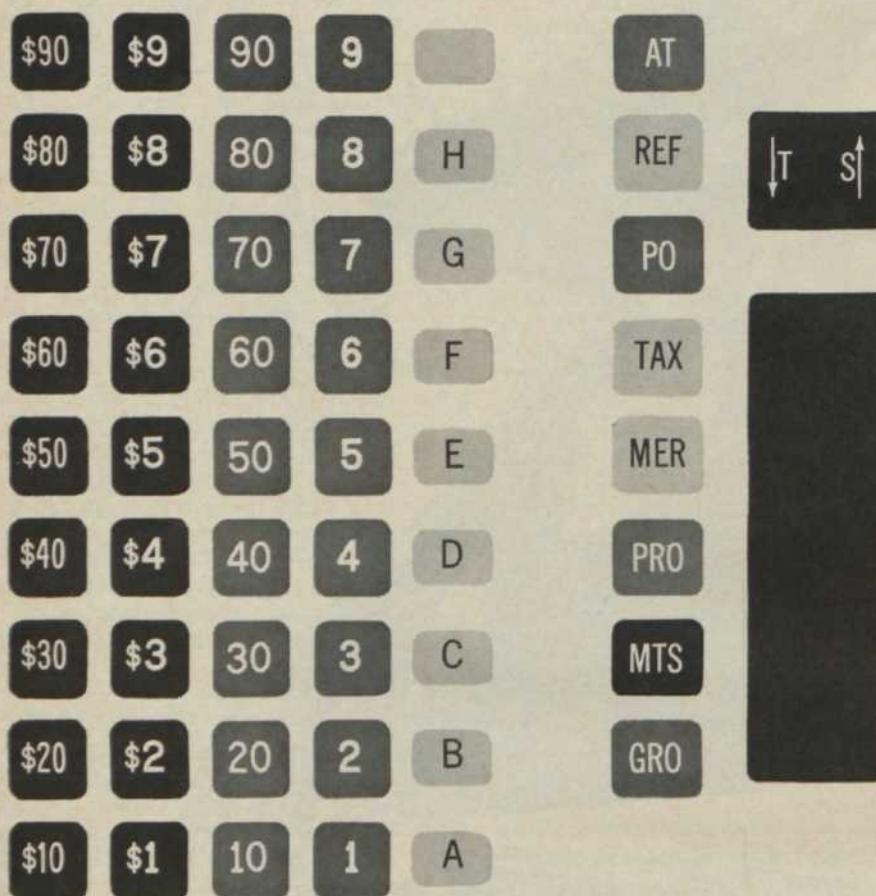
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THE LAND OF LBJ

continued

virtue of hard work, people through the Pedernales valley will tell you that hard work alone isn't enough.

"It's not just a matter of working hard all the time," declares Levi Deike as he neatly and precisely wraps a souvenir LBJ booklet for a tourist in his general store at Hye. "You have to use your head, too."

Doffing his well-worn off-white Texas-style hat, Blanco County Agricultural Agent O. L. Patterson seconds that sentiment at the county courthouse in Johnson City. "I say this is a country that puts more emphasis on brains than brawn. You have to be a good manager, make use of everything you have."

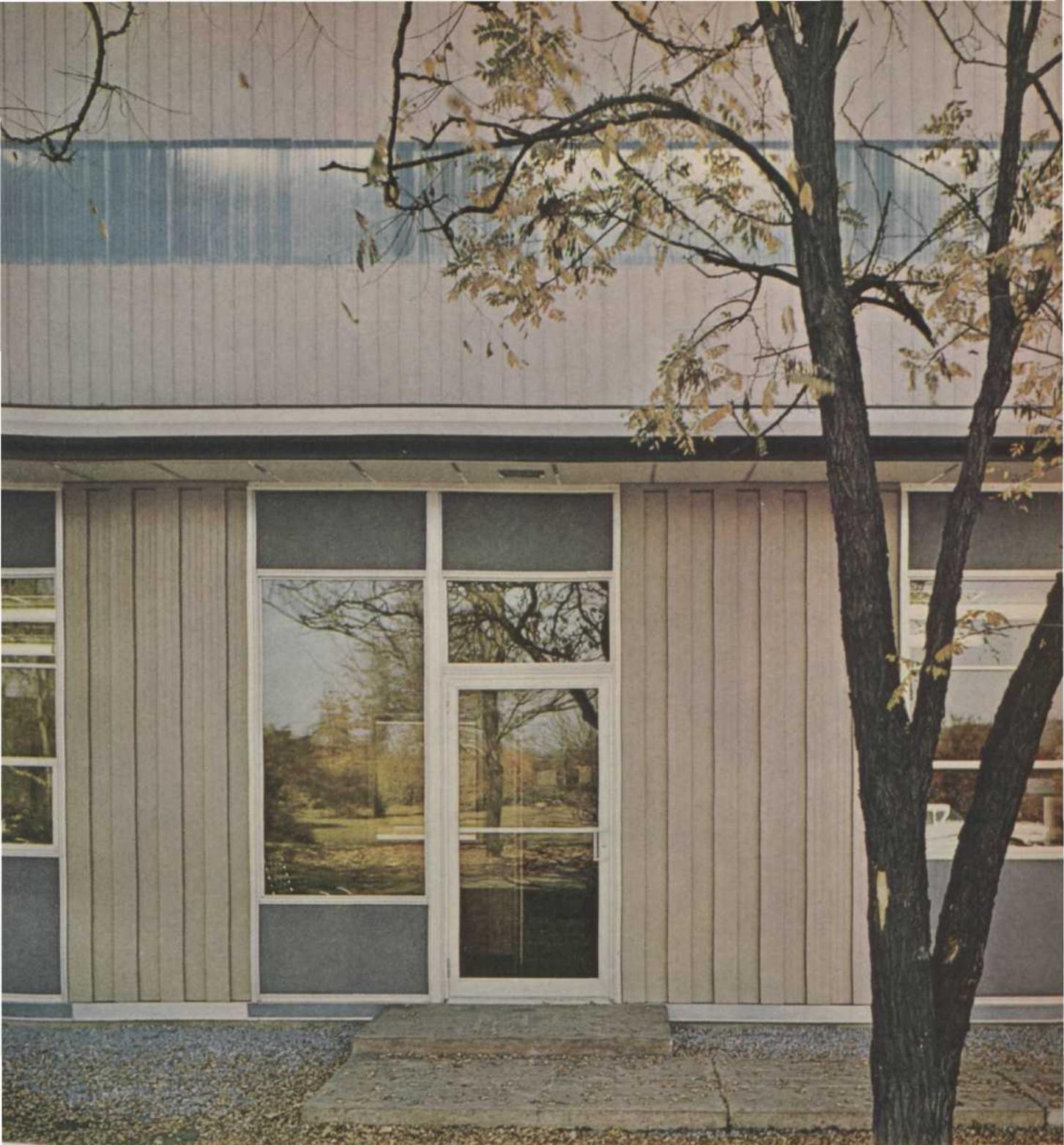
Two people who operate that way are Bill and Mabel Stribling. They own a ranch north of Johnson City on which they raise some 2,200 goats and profitably use some of the region's most up-to-date ranching methods.

"It's no crime to be poor," Mrs. Stribling philosophizes, although she makes clear she doesn't think it's such a great idea, either. "What is important is what you do with what you have—how resourceful you are."

Mrs. Stribling is an energetic woman with graying hair bobbed in the back and stylishly curled. As her husband says, she's "the politician in the family," having held the postmastership of the small community of Round Mountain nearby and helped lead the Blanco County campaign for President Johnson in November. She's about 110 per cent for "Lyndon" in everything he does and proudly reminisces with friends about his activities around his home town.

She also shows that streak of independence that runs through the people of the area. She believes that if something is going to be done, you have to go ahead and do it because no one is going to do it for you.

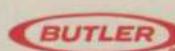
This especially applies right now at the Stribling place. Their 1,000 nanny goats are giving birth to kids through the middle of April. Every kid that dies means a potential loss to the rancher in terms of a sale not made or mohair not produced. So the Striblings maintain almost a 24-hour watch on their delicate nannies during this period. Mothers and kids are code marked with colored paint and the newborn are kept under heat lamps to make sure they survive cold nights. This pays off



Winning entry

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THE LAND OF LBJ

continued

in survival rates above 100 per cent (some goats have twins) and means cash for the Striblings. She speaks with disapproval of goat ranchers who don't spend the effort on such practices.

The Striblings are improving their land. Two bulldozers, dragging a chain between them, uproot scrub trees to let more grass grow for stock. Animals are drinking in the far reaches of their acreage at newly drilled wells.

Mrs. Stribling speaks out with great pride about their country, a characteristic that has grown unfashionable in some parts of the nation. Sitting next to a color television set, she denounces with raised voice past publicity about the region that "made us look like hillbillies."

Another booster is the mayor of Fredericksburg, Sidney Henke, proprietor of a small grocery store he has decorated with antlers from deer he shot.

He says taxpayers believe in paying their assessments and that tax delinquencies are very low.

"That's the type of people we have. They have a responsibility and they take care of it," he says. Older persons are supported by themselves or their families. "They aren't begging for anything."

Mr. Henke says that as mayor he and the town administration must get a dollar's worth of value for a dollar spent or answer to the voters. He opposes government handouts for municipal projects but the city has accepted some aid for master planning and will probably receive federal funds on a sewer project.

Business does it best

"I'm definitely one of those who doesn't believe in this," he declares. "But if they're going to throw money away, I believe in going out in the street and picking it up. Our people pay their taxes. If we didn't take it, somebody else would."

"What bothers me is where is it all going to stop."

Are other people bothered as well? Yes, indicates Henry L. Joseph, president of the Fredericksburg National Bank.

"There's little looking to the government for help around here," he says. "People here as a whole take great pride in the free enterprise system."

A few blocks away, competitor Arthur Stehling also voices his belief in the vitality of business.

"I don't believe in government financing except when private industry can't and it is a necessity."

And in Johnson City, Judge Ferguson describes proudly how the people of the Hill Country, Austin and other parts of the Colorado River valley built with the help of a young congressman named Lyndon B. Johnson the dams which now provide electricity to ranch houses and industry.

Judge Ferguson points out that when he and other men organized the Lower Colorado Valley Association which built the dams the organization received a \$5,000 appropriation from the state legisla-

ture with the proviso that it be repaid. "And we did." The LCRA received some aid from Uncle Sam but financed most of its projects through the private money market, Judge Ferguson says with pride.

Another enterprise that is apparently paying its own way is the President's own LBJ Ranch. As Ernest Hodges says from across the fence, "That's another piece of ground that didn't grow anything until he got hold of it and put some work in it."

In essence, that's how people in the President's own Pedernales country believe all dreams are made to come true. **END**

LISTENS

continued from page 58

pital cutbacks, other reductions—be announced in one big package.

Insiders over outsiders

Some skilled White House observers say they see a certain inward turning in the Johnson course toward more reliance on the staff men and top-level officials and less on the cronies and outsiders. Historians find this an almost inevitable trend as a President continues in office. It may be that the President comes to decide that these men are most free of conflicting interests—no home-state constituencies to look out for, no clients or stockholders or union members to worry about.

Moreover, these are the men who see the day-to-day development of his problems, who read all the memos that go up through the hierarchy and back down again, who are intimately familiar with all the delicate ramifications. Also—perhaps most important—they are close at hand, ready to come when he buzzes.

Thus, it appears that more and more the cronies and the outsiders are being relegated to lesser roles. They give occasional advice on problems they know particularly well, pass along information they alone can collect, undertake important but less frequent missions. It is too early to tell whether they are still fulfilling that important role of providing independent judgment.

Now for a closer look at the men who matter most on the two inner groups—the insiders and the top officials.

The key presidential adviser is Bill Don Moyers, a 30-year-old intellectual from Texas. The soft-

spoken Baptist minister is Mr. Johnson's top domestic policy lieutenant and a key speech writer. He is the chief coordinator of legislative proposals, the principal drafter of messages to Congress and the public, the man who rode herd on the Great Society task forces. He seems, of all the staffers, the most secure in his relationship with the President, the one readiest to speak in the President's name, the one most likely to differ and respectfully suggest a different course of action.

Mr. Moyers is still Deputy Director of the Peace Corps. That was the job he held when he was summoned, after President Kennedy was assassinated, to the side of the new President, for whom he had once been a Capitol Hill assistant.

Closely bunched behind Mr. Moyers in influence are three other Texans: Jack Valenti, Horace Busby and Marvin Watson.

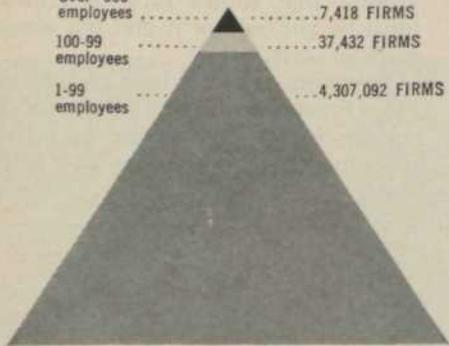
Mr. Valenti, a 43-year-old Houston advertising and public relations man, is short, dapper, busy and easy to underrate. The fact is that he is bright, tough, hard-working, and he seems to understand the President's moods and wants better than any other man around the White House.

Stocky, 40-year-old Horace Busby probably has the longest association with the President of any of his present staffers, having worked for him on and off since 1948. He was publishing a newsletter for businessmen when Mr. Johnson persuaded him to join the White House staff last spring. He is secretary of the cabinet now.

Coming up fast is hard-driving Marvin Watson, also a 40-year-old

THE STRUCTURE OF THE BUSINESS MARKET

Over 500 employees 7,418 FIRMS
100-99 employees 37,432 FIRMS
1-99 employees 4,307,092 FIRMS



SOURCE: U.S. Department of Commerce

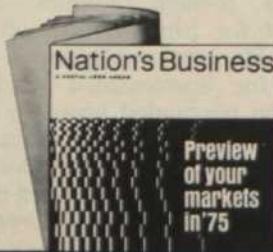
The big job of the moment for most companies: beating the cost-profits squeeze. To do it, many are taking a fresh look at the structure of the business market to find out where the greatest potential for additional sales lies.

Shown graphically, the business market looks like a pyramid. At the top, "big business"—the giant corporations enormous in size but few in number. Of the 4,350,000 firms that make up the business market, only 7,500 employ 500 or more people—only 37,000 have between 100 and 499.

Nation's Business audience of more than 750,000 executives is pyramided like the economy. It includes over 100,000 corporate officials in firms with 500 employees or more. 31,520 of these readers are executives in the 500 largest industrial corporations. In addition to this sizeable "big business" circulation, Nation's Business penetrates the bulk of the market—reaching thousands of dynamic smaller companies in every facet of industry and business. These growing companies represent a lucrative sales potential. By delivering this additional circulation, Nation's Business enables you to cover more of the total business pyramid—reach more prospects for your business product.

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LISTENS

continued

Texan. The President was impressed with his arrangements for the Atlantic City nominating convention and persuaded him in February to leave his jobs as assistant to the head of the Lone Star Steel Co. and chairman of the Texas Democratic party for a White House tour of duty.

He is now scheduling the President's appointments and taking over many of the right-hand-man tasks that Mr. Valenti formerly had been doing.

McGeorge Bundy, the White House expert on national security matters, is extremely important still, although he seems to be exerting less policy-making influence than under President Kennedy.

Other important staffers include: Special Counsel Lee White, 41, a bald, cigar-smoking, self-effacing man. He's been the White House specialist on civil rights and legal problems.

Douglas Cater, 41, former Washington editor of the *Reporter*, a liberal magazine. He worked on the Great Society task force reports, was a key man in putting together the education program.

Richard Goodwin, a 33-year-old Bostonian and Kennedy brain trust and speechwriter in the 1960 campaign, is back in the White House as an expert on urban affairs, conservation, culture.

Bull sessions with Humphrey

Moving to the high-official category, three men stand out above all the rest—Vice President Humphrey, Defense Secretary McNamara, Budget Director Gordon. Mr. Humphrey is important not just because he is the second-ranking federal official; vice presidents, after all, have a way of fading from sight. But he and Mr. Johnson had a close relationship over many years in the Senate, and they came even closer after the Kennedy assassination.

Mr. Johnson values his energy, appreciates his intimate knowledge on a wide variety of subjects. He has given him a host of chores, from the ceremonial to the substantial, and the two men frequently engage in long evening bull sessions at the White House. Articulate—even voluble—politicians, they talk each other's language.

Mr. Johnson has been quoted as saying that the loss of Robert McNamara would be a real cabinet disaster. The former Ford executive is

not only the chief adviser on defense policies, but also an influential counselor on foreign affairs. He shines at National Security Council meetings and similar sessions with his complete command of the facts and his incisive presentation.

Mr. Gordon's importance stems partly from his own ability and partly from his strategic position as boss of the federal budget. Mr. Sorenson, an astute student of government, once said that the official most likely to loom largest in the President's thinking on a key decision "is not the Secretary of State or the Secretary of Defense but the Director of the Budget." Mr. Gordon particularly sold himself to Mr. Johnson during the President's efforts in December, 1963, to cut the tentative budget put together by John F. Kennedy before the assassination.

The President at first suspected Mr. Gordon as an Ivy League intellectual, but became convinced that he was a fine blend of liberal economist and tight-fisted economizer. He performed Herculean chores in trimming the budget requests of the federal agencies last fall to arrive at the \$99.7 billion budget, and Mr. Johnson has been telling visitors that he could fill any cabinet post.

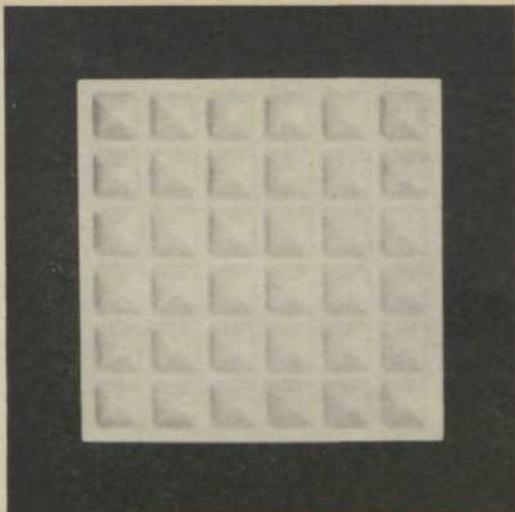
Where Rusk stands

Despite repeated press reports that he is on the way out, Secretary Rusk remains high in White House esteem, the President assures callers. He particularly appreciates Mr. Rusk's talents for summing up the pros and cons of any suggestion clearly and concisely.

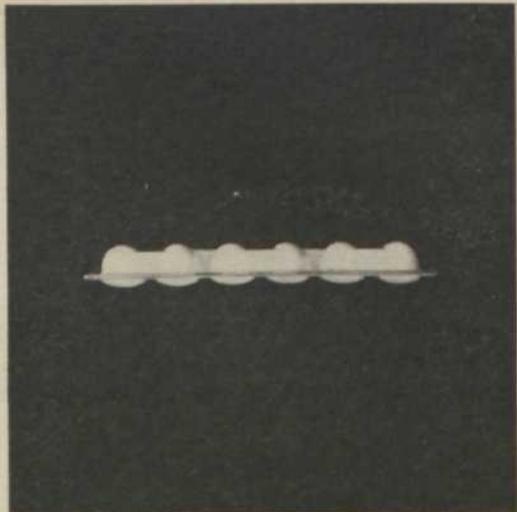
Interior Secretary Udall has been rising recently in Mr. Johnson's eyes. The conservation programs his department has put together have been popular.

Two other key men in this group are, like Kermit Gordon, men who are institutionally part of the White House staff setup but who have identity and operations of their own. Chairman Ackley of the Council of Economic Advisers, while not the accomplished publicist his predecessor Walter Heller was, seems to have impressed the President as a sound, solid and practical adviser. And Mr. Johnson has been voluble in his praise for John Macy, chairman of the Civil Service Commission, who has been a successful scout for top-level executive talent and an adviser on personnel matters.

—CHARLES B. SEIB



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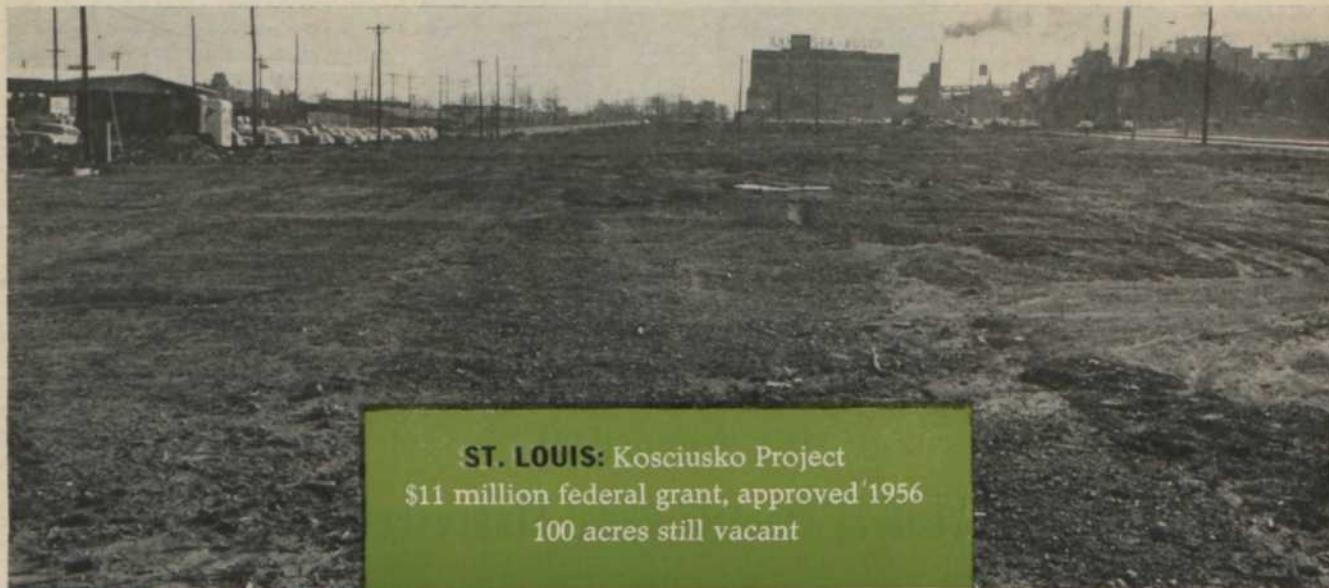
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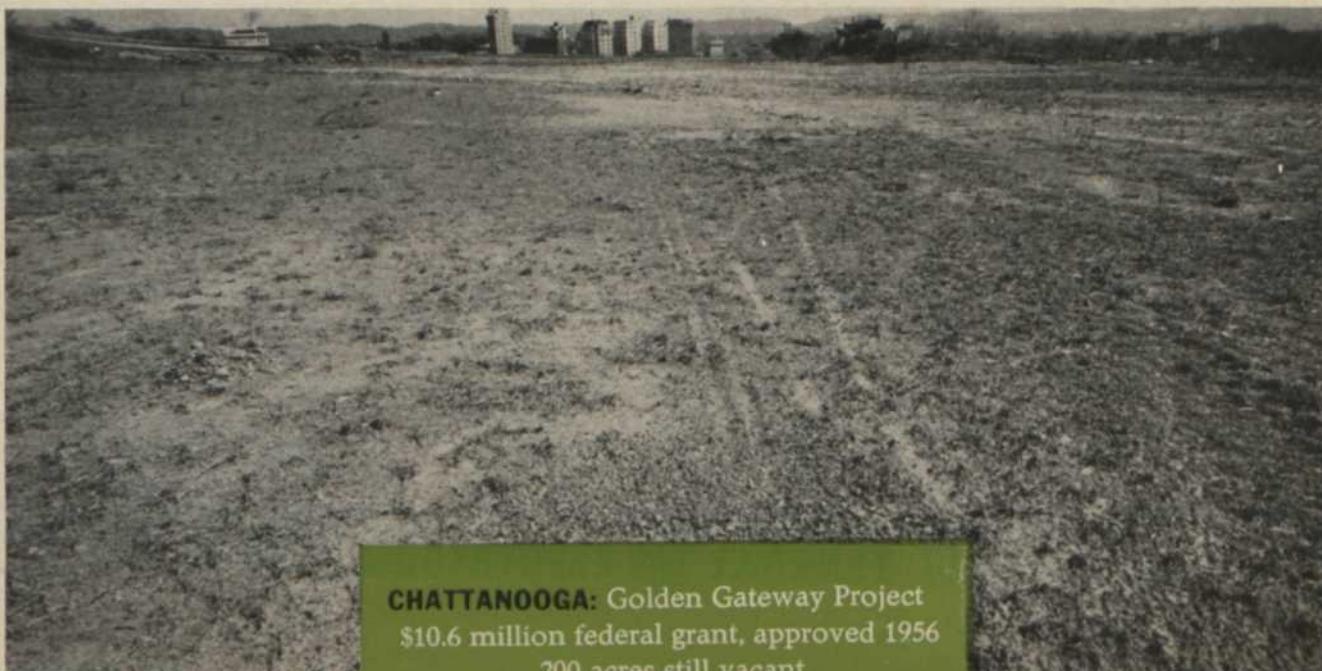
GENERAL  **ELECTRIC**

URBAN RENEWAL WASTELANDS

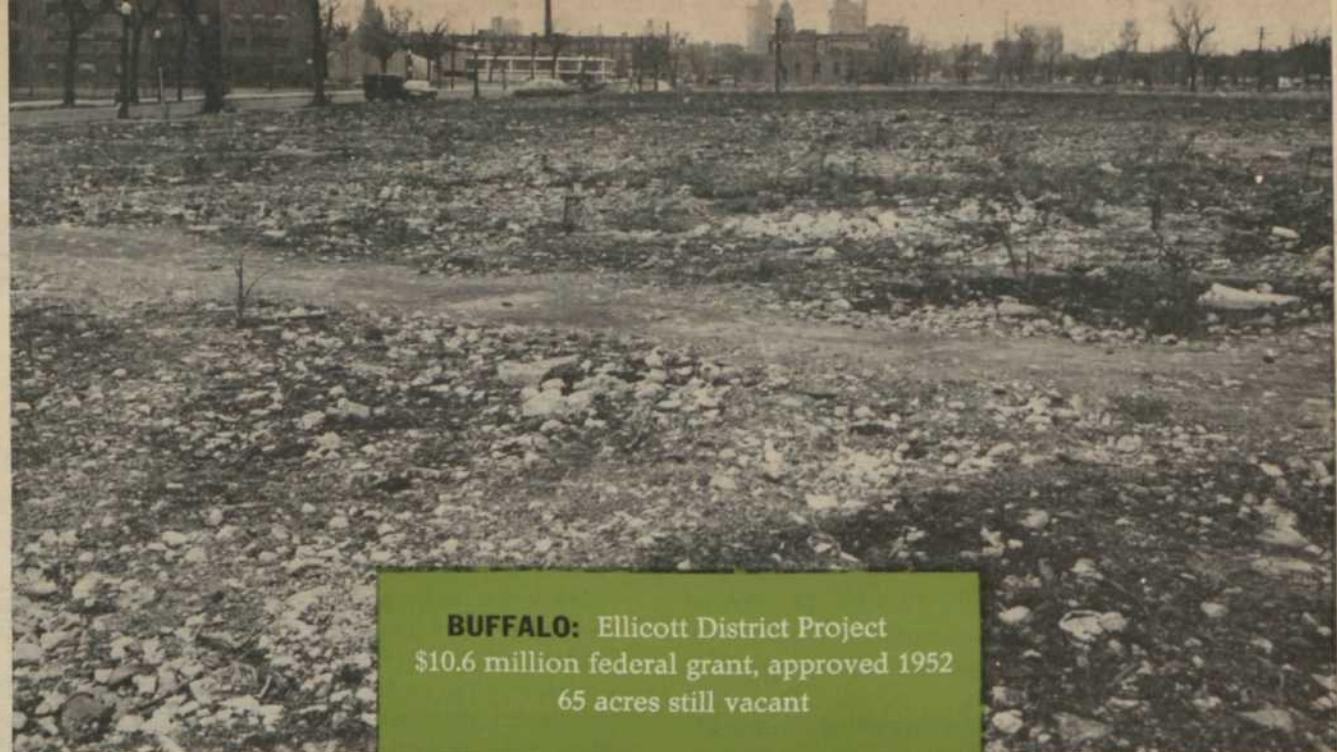
Cities' development is suffering as
bulldozed acres lie idle and untaxed



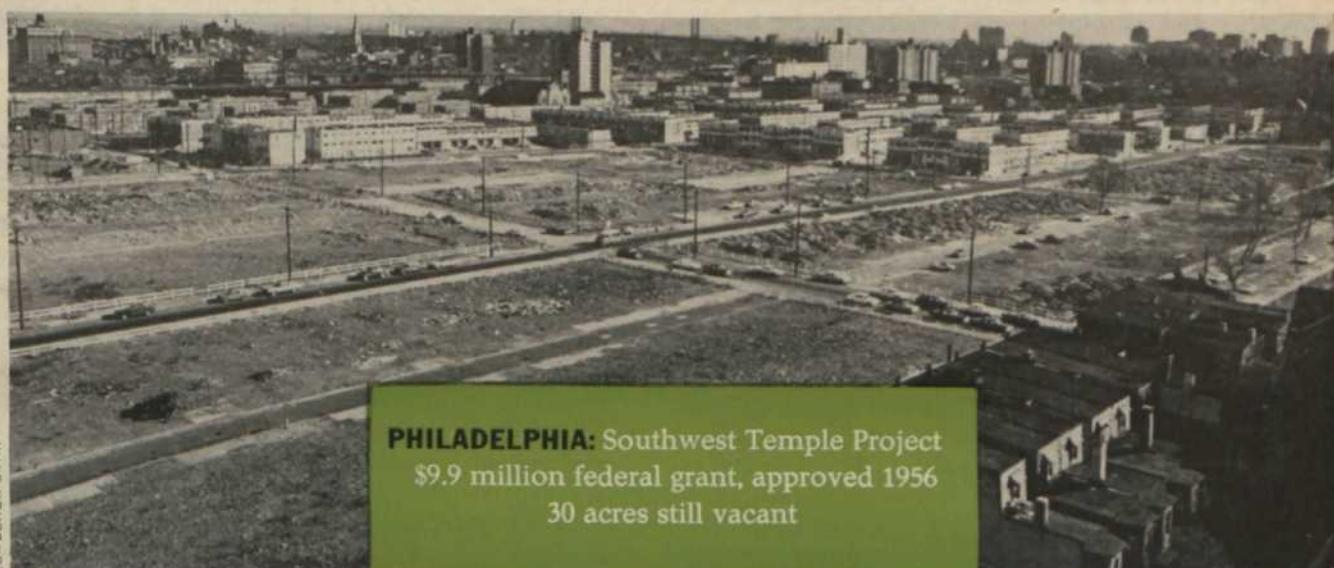
ST. LOUIS: Kosciusko Project
\$11 million federal grant, approved 1956
100 acres still vacant



CHATTANOOGA: Golden Gateway Project
\$10.6 million federal grant, approved 1956
200 acres still vacant



BUFFALO: Ellicott District Project
\$10.6 million federal grant, approved 1952
65 acres still vacant



PHILADELPHIA: Southwest Temple Project
\$9.9 million federal grant, approved 1956
30 acres still vacant



BALTIMORE: Camden Industrial Park
\$5.3 million federal grant, approved 1956
35 acres still vacant

HOW TO BE A BETTER SPEAKER

You first will have to be aware of the five big myths about speech-making

THE GREAT INDUSTRIALIST Charles M. Schwab once said, "I'll pay more for a man's ability to speak and express himself than for any other quality he might possess."

The importance of effective speaking in present business society is apparent.

And yet, as long as men have been addressing one another and as vital as oral communication has become, five major misconceptions about speech-making are more rampant than ever. Most people, even many businessmen who make scores of speeches a year, believe that when you make a speech:

1. You shouldn't be nervous.
2. Your goal is just to be a good speaker.
3. A speech is an oration.
4. You should be prepared with a manuscript.
5. Delivering the speech is what's most important.

These are all false notions.

Throughout this country, there's more and more activity in speakers' bureaus of companies like General Motors Corp.; Smith, Kline and French Laboratories; Pennsylvania Power and Light Co., and American Telephone and Telegraph Co. The activity in-

cludes not only greater numbers of speakers and speeches given but increased emphasis on training and development of speakers.

Advertising executive Bruce Barton says: "The successful men are usually those who have talked their way upward. The talkers have always ruled. The smart thing is to join them."

Making a speech should not be a chore. It should be both a challenge and a rewarding experience. The challenge comes from the responsibility in successfully employing one of man's finest attributes—the ability to communicate intelligently with his fellow man. The reward is in the feeling of satisfaction you have when you know you have thus influenced others.

Although we do this every day in conversational situations, both the challenge and the reward reach their peak when we speak to a group.

Many of us hide behind the excuse that "we're just not born speakers," and we duck opportunities to make speeches because we think we're not equipped to handle them. Yet the old saying that speakers are born and not made has been poked full of holes by our present knowledge of what it takes to be a good speaker.

Going from Demosthenes in ancient Greece to such moderns as Adlai Stevenson, Milton Eisenhower, Clarence Randall and John F. Kennedy, the record is full of endless examples of men who worked hard to achieve their full level of ability as speakers.

In a survey taken at Purdue University, company executives overwhelmingly emphasized the value of training for this objective. This typical comment came from E. F. Du Pont of E. I. du Pont de Nemours & Co.: "By far the greater number of effective management efforts in oral communication are obtained by training than by native ability."

Training is beginning to make many potentially effective speakers aware of traditional misconceptions

Harold P. Zelko, the author, is professor of speech at Pennsylvania State University. He recently developed a speaker's training program for the American Telephone and Telegraph Co. and the entire Bell System. He is now doing a major communication study for E. I. du Pont de Nemours & Co. Mr. Zelko is the author of five books on speaking and communications.



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250,000 miles each without major maintenance cost. That's the record made by Denver-Chicago Trucking Co., Inc., with its initial group of Detroit Diesel 8V-71N engines in 21 truck-tractors in service since 1963. The company now operates 82 Detroit Diesel-powered units—reports "the lowest maintenance cost and the highest fuel economy with the 8V-71N engine."



Dramatics out of date

about nervousness, objectives of speaking, use of a manuscript and delivery.

How your nerves help

Do you get nervous at the thought of making a speech? Don't feel sorry for yourself or use this as an excuse for not making the speech. It's a sign that you are a normal member of the human race. Everyone gets nervous in similar situations. You can take comfort that you are in the company of all good speakers, singers, actors, athletes and even your minister.

Experience teaches one to control and to use to positive advantage this nervous energy which is so essential to a good job. It keys us up, motivates us to prepare better and to analyze what we want to accomplish.

Clarence Randall, former president of Inland Steel and one of industry's well known speakers, said, "I have never been without that same gone feeling in the pit of my stomach while anticipating a speech."

Adlai Stevenson, commenting on a major speech he had to make as a senior at Princeton, said, "I was scared to death before I spoke. I still am, for that matter."

Senator Wayne Morse, who holds the record for an uninterrupted speech in Congress, has said that "public speaking never has been easy for me."

Harry Truman similarly has said: "No, I wouldn't say that it came easily for me."

So remember these things about nervousness:

Everyone gets nervous when facing a social challenge in which he wants to be successful.

You don't get rid of nervous energy by experience, you learn to control it.

Nervous energy can be directed into positive, animated and enthusiastic manner and directness.

An attitude of concern for your message and your audience, rather than for yourself, builds toward positive use of nervous energy.

Preparation and practice and proper use of notes help build confidence.

A few deep breaths and the release of nervous energy by voice projection, emphasis, smile and gesture as you start to speak will release your energy in the right direction.

You want to be good

When you make a speech you want to be a good speaker. But this is not really your ultimate objective. Robert T. Oliver, president of the Speech Association of America, advises: "You don't want to become a 'good' speaker just as an end in itself and just so others will say 'He's a good speaker.' What you really want to be is an effective manager, or lawyer, or salesman, and a good person. You want to be an effective speaker to help accomplish these ends.... The first necessity is to be a good man, to know your subject, to believe in it, to understand and believe in people, to have sound ethical standards and to be reliable...."

Citing the famed words of Ralph Waldo Emerson, "What you are stands over you and shouts so loud I cannot hear what you say to the contrary," Dr. Oliver goes on to point out that the qualities he just enumerated are the "what you are" that stands out to your listeners, and that it is far more important to develop these qualities than to develop mere mechanical skills as ends in themselves.

Former President Truman, who became an effective speaker through his efforts to understand people and develop a warm communicative relationship with his listeners, summed up this thought in these words, "People don't listen to a speaker just to admire his technique or manner.... They like to feel a personal bond with the speaker."

Charles E. Irvin, one of the most active speakers in the General Motors speakers' bureau, says, "You have to sell yourself along with your ideas. You must have something to say. You must want to say it. And you must never be afraid to lay a little bit of your heart on the table."

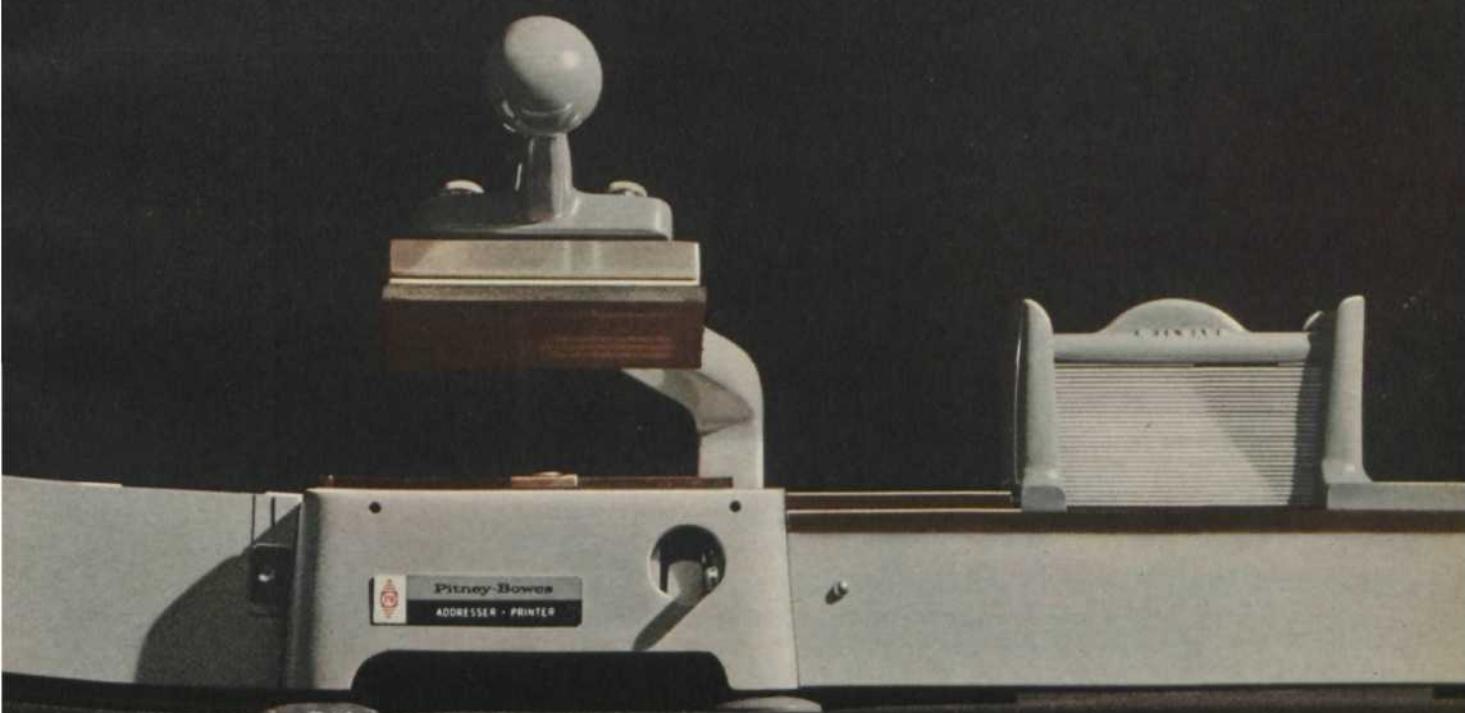
Oral but not oration

A speech is not an oration. Not today. A few years ago, Max Eastman, well known humorist turned speech expert, deplored the "Lost Art of Oratory" in an article in which he complained that America no longer had the orators of the Eighteenth and Nineteenth Centuries, that Twentieth Century speakers lacked oratorical ability, and that thus the quality of present-day speaking was deteriorating. He longed for the Patrick Henrys, Daniel Websters and William Jennings Bryans of the past, the orators with booming voice, dramatic display, exaggerated gesture and manner and the acting of a part.

There was a place for this kind of speaker in the old days of large outdoor audiences, coming to hear a speaker as the chief source of news and authority, expecting an unusual event as a chief source of entertainment. Listeners were not informed, and they wanted their speakers to talk down to them.

What Max Eastman failed to recognize is a fundamental difference in today's society. Audiences are more informed, more sophisticated and have access to much of the information on which speeches are given. They want to feel that a speaker respects this

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HOW TO BE A BETTER SPEAKER

knowledge and talks things over with them rather than preaching to them.

A speech is not a dramatic performance. A speaker is never acting a part. He is always himself. The more his listeners sense that he is acting a role or a part, the less they will like what he says.

A speech is not a public reading either. This misconception is advanced by those who think of a speech as words read in a monotone from a printed page, usually with nose buried in manuscript.

A set of external mannerisms is not good speech-making. The mistake that too many make is to believe that they can become good speakers just by refining their use of voice, diction and gesture.

In brief, effective speaking starts from within the man, arising from a sincere desire to communicate a message to others and including an attitude of respect for listeners and an appreciation of their beliefs and feelings in relation to the message.

An effective speech is talking things over with listeners, as in enlarged conversation, in a sincere, enthusiastic manner.

The late Eric Johnston, former president of the Chamber of Commerce of the United States, head of a major government agency and chief spokesman for the motion picture industry, himself a speaker with rare charm and personal effectiveness, summed it up this way: "A speech is conversing with your audience as though you were in individual conversation with each member privately."

To read or not to read

The question whether to use a manuscript plagues many speakers. It is interesting that in an age when our communication is becoming more and more dynamic and informal, we also continue to find so much use of the manuscript speech.

Some feel that the manuscript lends more dignity, achieves greater accuracy and can serve as a permanent record. It may do these things in some situations. But many speakers use these as excuses and

continued

find it easier to write the speech out or have someone do it for them.

Most speakers are better off without a manuscript, for a number of reasons. The basic reason is that the manuscript stands as a barrier between speaker and listener which he is usually not able to overcome through skill in delivery. A further reason is that manuscripts are usually written prose documents, too formal as to language and structure and lacking in the informality found in conversation.

Clarence Randall makes these comments in comparing conversational with manuscript speaking. "My hallmark has been an off-the-cuff talk at a businessmen's luncheon, done in the spirit of the occasion and without manuscript. Words are effective when they are the heart throbs of the individual. A speech, to be effective, must mirror the man. . . ."

If a speech is to be reduced to manuscript, it should be dictated as a speech, not written as a prose document.

Stanley Burnshaw, a well known text editor and writer, points out the differences between the written and spoken word which must be watched when you consider a manuscript. "Nothing distinguishes the speech so much as this quality of aliveness and spontaneity—the sounds, gestures of a warm, living human presence, of a human event about to happen. I stress this aliveness, unpredictability, spontaneity because they are the sources of all the significant differences between speaking and writing."

Norman Thomas, one of America's most dynamic speakers of the Twentieth Century, supplies similar thoughts. "It cannot be emphasized too strongly that the written word and the spoken word are by no means the same. . . . Sometimes a speaker can communicate more effectively by repetition, intonation, gesture or even an unfinished sentence."

Most people find it quite difficult to achieve person-to-person contact using a manuscript. This requires much practice and a degree of familiarity with what is on the printed page which most speakers will not take time to achieve. And every speaker and expert in the field whom I ever contacted agrees that one should never memorize a manuscript as a method of presenting it.

We can draw these few conclusions about manuscript speaking:

A speech should best be prepared first as an outline, then spoken and recorded as oral communication. This means more personal adaptation to audience, more use of personal pronouns, simple language, short uninvolved sentences, short paragraphs, colloquial expressions, more stress on summaries and transitions, more use of repetition.

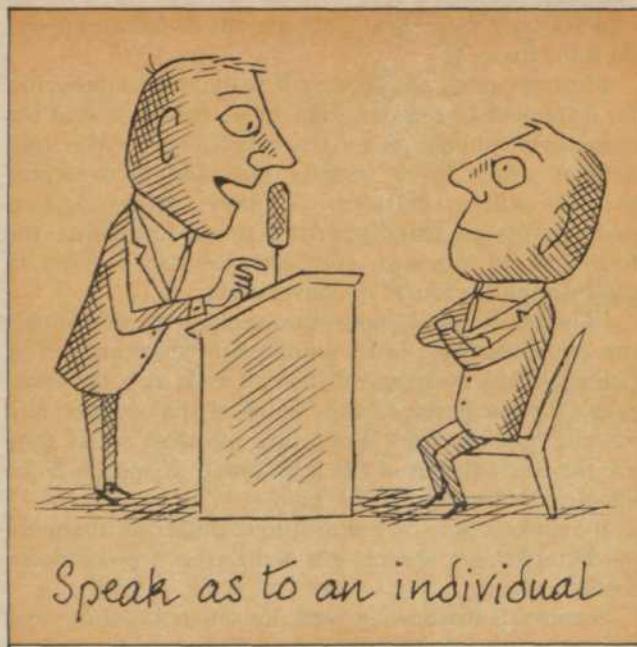
Unless company or organizational policy requires a manuscript, you are usually better off without one. If you do write a manuscript, follow these suggestions:

Type for easy reading, perhaps triple spaced. Mark for pauses, emphasis and extemporaneous remarks.

Practice reading many times, keeping eye contact up and toward the audience as much as possible. Keep the voice and manner informal and conversational.

After you've done all this, when you have become so familiar with it that you think you could put it aside and speak it in a good pleasant manner, perhaps





Speak as to an individual

from notes, do so. You don't have to give it as a manuscript speech after all.

What's as important as delivery

A good speech is basically thinking out loud in an organized manner to achieve understanding and to influence your listeners. So, preparation can be reduced to a few comparatively simple steps. But you should keep these tips in mind.

There is no one inflexible way to prepare or present a speech. Speaking is an individual, personal matter and every suggestion or principle must be adapted to your own personal habits and uses.

Start preparing early. A good speech grows on you and must become a part of you. If you start at least two weeks in advance, you'll do a much better job and will feel much more confident than if you try to cram it together the day before you give it.

Spread your preparation over a number of days. It is better to spend a short time on the speech each day, so that you gradually absorb it into your thought process. Much of this is informal, done as you are walking, shaving or just sitting and reflecting.

About 20 minutes would represent the best length for most speeches today, although this would depend a great deal on the occasion. But whatever length you agree on, with either yourself or the program chairman, try to stay within five minutes of it.

The four major steps in preparing a speech are planning, organizing, developing and practicing.

The planning step is the speaker's initial exploration of the what and why of making the speech. Here is where the foundation is laid for the steps that follow. It involves a consideration of the nature of the audience and occasion, the determination of subject area, and the exact purpose and objective to be accomplished in relation to the broad subject.

These questions should be answered: Is my purpose to inform and explain or to persuade and influence beliefs and attitudes? What do my listeners now know about this subject? What is their ability

to learn? What are their attitudes or beliefs? How much can I accomplish in this one speech?

Vice President Hubert Humphrey says: "The necessary components to build a speech are full understanding of the facts of the subject, thorough understanding of the particular audience, and a deep and thorough belief in what you are saying."

C. J. Dover, manager of communication for Chrysler Corp. and president of the National Society for the Study of Communication, says: "I think the single most important principle overlooked by speakers is audience analysis."

Commenting on the constant problem of business in improving audience attitudes for better customer relations, Frederick Kappel, chairman of the board of AT&T, says: "The attitude of the audience (our customers) is the most important single factor . . . and it must have major consideration in all our contacts with the public."

Organizing a speech consists basically of arranging your thought process in a logical order. The best way to do this is to list the points you want to cover to accomplish your purpose. Then sift, group and rearrange these into about three or four main ideas, putting all the rest under these as sub-ideas.

Consider the best sequence of presenting these main ideas which now become the body of your speech. You will probably develop these in outline form with the proof, support and development material under each.

You are now ready to plan your introduction. Your chief concern here is establishing a bond of common interest with your audience by your greeting, referring to the occasion, identifying your subject and purpose, their importance to the audience, and possibly then indicating the main points you will deal with as you move into the speech.

Harold Yoskin, president of Plantation Chocolate Co., places great stress on a good introduction:

"I believe in a very strong and direct opening. This is the most important part of a speech in terms of audience interest and attention. The subject must be related to them. They must be made to feel its importance."

The conclusion of your speech should be a brief summary of what has been said, with a final statement of the basic message you want the listeners to retain or the belief you want them to have or action you want them to take.

If you have read up on your subject and gathered your material in your initial planning, you should be well equipped to select the proof and facts you will use to support and develop your points throughout the speech. In doing this, you will use explanation, description, narration, reasoning and appeals to listener motives.

Concerning your tools

Your chief tools will be examples, comparisons, stories and anecdotal material, statistics and other factual references and testimony of authority.

The more real and vivid your material, the more it will hold attention and interest as well as achieve proof of your points.

Advertising executive Frank Snell reminds: "You



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HOW TO BE A BETTER SPEAKER

continued

have to direct your fire at your listeners, always showing the importance of your subject and material to them."

The late President Kennedy advised: "You'll usually not get into trouble with vague generalities, but you may not be saying anything either. It's when you start getting specific and down to facts in your evidence that you have to be accurate."

Robert J. Flynn of the public relations department of Pennsylvania Power and Light Co. stresses the need to relate content to the audience, and warns against being too complex.

"To me the success of a business speech depends first upon a thorough appraisal of the audience's interest and ability to absorb the content, so that it can be geared accordingly.

"Too often the businessman is like that young preacher delivering his first sermon and attempting to compact into 20 minutes all he has learned in years of seminary study. We must guard against the mistake of assuming that an audience is waiting breathlessly to hear all we have to say about our business—complete with slides, complex statistics and more information than the average listener could ever hope to assimilate in one sitting."

Practicing a speech is a highly individualistic matter. Some can do this by turning the speech over in their minds, or verbalizing it silently; most should practice aloud several times.

Practice involves two steps: First, learning what you want to say; second, refining your ability to say it well. If you know a subject very well, including the language and materials you will use, and if you have good facility with words, you may need little oral practice. Most speakers start practice with the outline as a base, gradually moving away from this to smaller notes.

Senator Morse describes his own approach like this: "My practice consists chiefly of making notes from my outline and repetitive thinking. Throughout the day, I will be thinking of it when I shave in the morn-

ing, when I drive to work, when I sit in the Senate waiting to give it. In fact, I live with a speech for a good many hours before it is delivered."

You have to determine how much and what kind of practice you need. You'll need more on some speeches than others, depending on your familiarity with the subject, degree of informality of the situation, and other factors. The more experienced you become, the less practice you'll need. If you have had less experience, it's best to get up on your feet and talk the speech through, simulating the actual presentation as best you can.

All of these things we have suggested up to now may seem to have little to do with your actual speech delivery. The chief ingredients of effective delivery start within you, your feeling for your subject and purpose, your desire to communicate with others, your enthusiasm and your physical bearing and directness. All of these will give you the kind of voice projection, emphasis, variety of expression and gesture that natural speaking requires.

Commenting on President Johnson's manner of delivery, the *New York Times* says, "As a speaker, Mr. Johnson's admirers admit he is no great orator. . . . His delivery is deliberately slow, but his pauses, his rising emphasis, his quickening pace at a climax are all expert. In gesture and expression, he matches action and word. . . ."

There is the suggestion that Mr. Johnson deliberately uses voice, manners and gesture to accomplish certain ends. This may or may not be so. Increased voice emphasis, pause, change of rate and gesture should all come as the natural result of the speaker's desire to communicate his meaning to his listener.

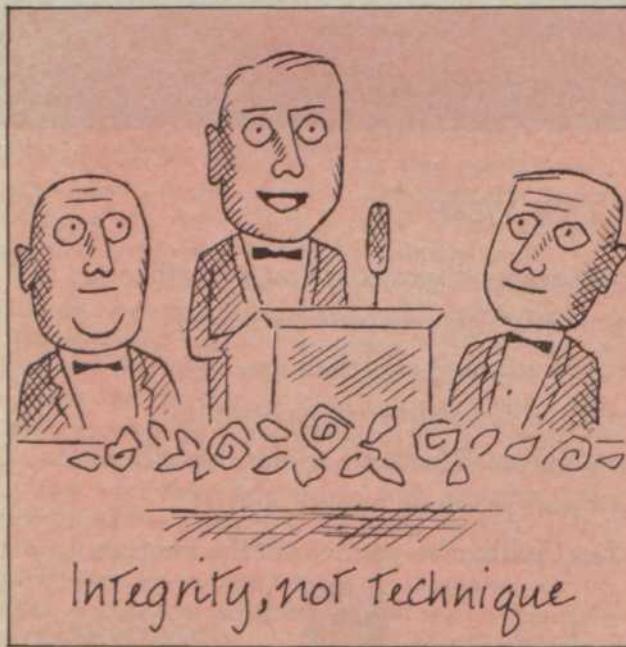
Lord Chesterfield summarized the relationship between delivery and content, although there is surely no agreement among most of us as to which is more important, "The manner of your speaking is full as important as the matter, as more people have ears to be tickled than understanding to judge."

You might, then, want to keep these thoughts in mind as you increase your efforts to become a better speaker:

- Your responsibilities as a speaker will continue to increase.
- A speech is communication requiring an attitude of constant concern for your listeners.
- Nervous energy can be harnessed as an asset.
- A speech is not an oration, a performance or acting a part.
- A good speech is conversational and natural, requiring systematic preparation in planning, organizing, developing and practicing.
- Good speech delivery comes from within and starts with the man and his desire to communicate his knowledge, beliefs and feelings, remembering Emerson's words, "What you are stands over you and shouts so loud. . . ."

END

REPRINTS of "How to Be a Better Speaker" may be obtained for 30 cents a copy, \$14 per 100, or \$120 per 1,000 postpaid from *Nation's Business*, 1615 H St. N.W., Washington, D. C. 20006. Please enclose remittance with order.



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LYNDON'S LOBBY

continued from page 38

the secretary or hold some lesser title.

This, according to Mr. O'Brien, is how the White House legislative operation works:

The top legislative officers of departments and agencies—about 40 of them—meet periodically as a team with Mr. O'Brien to review the Administration's program for Congress. They discuss how it is moving, difficulties that have arisen or lie ahead, how they may be overcome, how prospects for passage can be improved.

Every Monday morning, Mr. O'Brien's office receives from every department and agency a written report on the status of legislation for which they are responsible and the contacts they had with Congress the previous week.

These are reviewed by Mr. O'Brien and his staff and consolidated into a single report, which includes their own views, and given to President Johnson on Monday evening for study and use in connection with his regular Tuesday breakfast meeting with congressional leaders.

"In the four years since this program began, White House contacts with members of Congress have increased 300 per cent," Mr. O'Brien explained.

"We try to keep it a team effort, everybody working for the Administration's entire program—day in and day out, not just during crises. Agency heads and their aides have two responsibilities, really, day-to-day accountability for programs in which they're particularly interested, and promotion of the President's total program at all times.

"When we get into a crisis, we bring 40 legislative officers into the act and all pull together."

O'Brien handles the big ones

On major legislation, Mr. O'Brien himself deals with congressional leaders and committees.

"I've talked with McCormack twice today already," he said, referring to House Speaker John McCormack. "And I'm constantly in and out of [Senate Majority Leader] Mike Mansfield's office."

Mr. O'Brien believes an important job still unfinished is to raise the level of the legislative officer in each department or agency, as the President keeps urging his Cabinet

members to do. Only at the Departments of State and Health, Education and Welfare do these men hold the title of assistant secretary.

"A government official must have status to make the proper impact on the Hill," the White House lobbyist pointed out.

"He must have the ear of his chief, be able to speak for him, make decisions and not be just another guy with a legislation check list. It is to the best interest of his department or agency that he have this status."

"These are all competent, able fellows, but some of them just can't function to the limit of their capacity because they don't have the status."

Mr. O'Brien lists five criteria for measuring the ideal legislative officer:

1. He should have knowledge, in depth, of the legislation on which he is working.
2. He must understand the rules and procedures of Congress and how they can most effectively be used.
3. He must have political acumen, an innate sense of political judgment.
4. He must have a sense of public relations.
5. He must recognize, understand and sympathize with the position of an elected officeholder, because on Capitol Hill there are 535 elected officials. At the White House there is only one.

"We must recognize at all times that there is a bridge between the White House and Congress," Mr. O'Brien adds. "It is invisible, but it is there, to bring increased rapport between the two branches of government. At the same time we must be aware of the constitutional barrier that separates them."

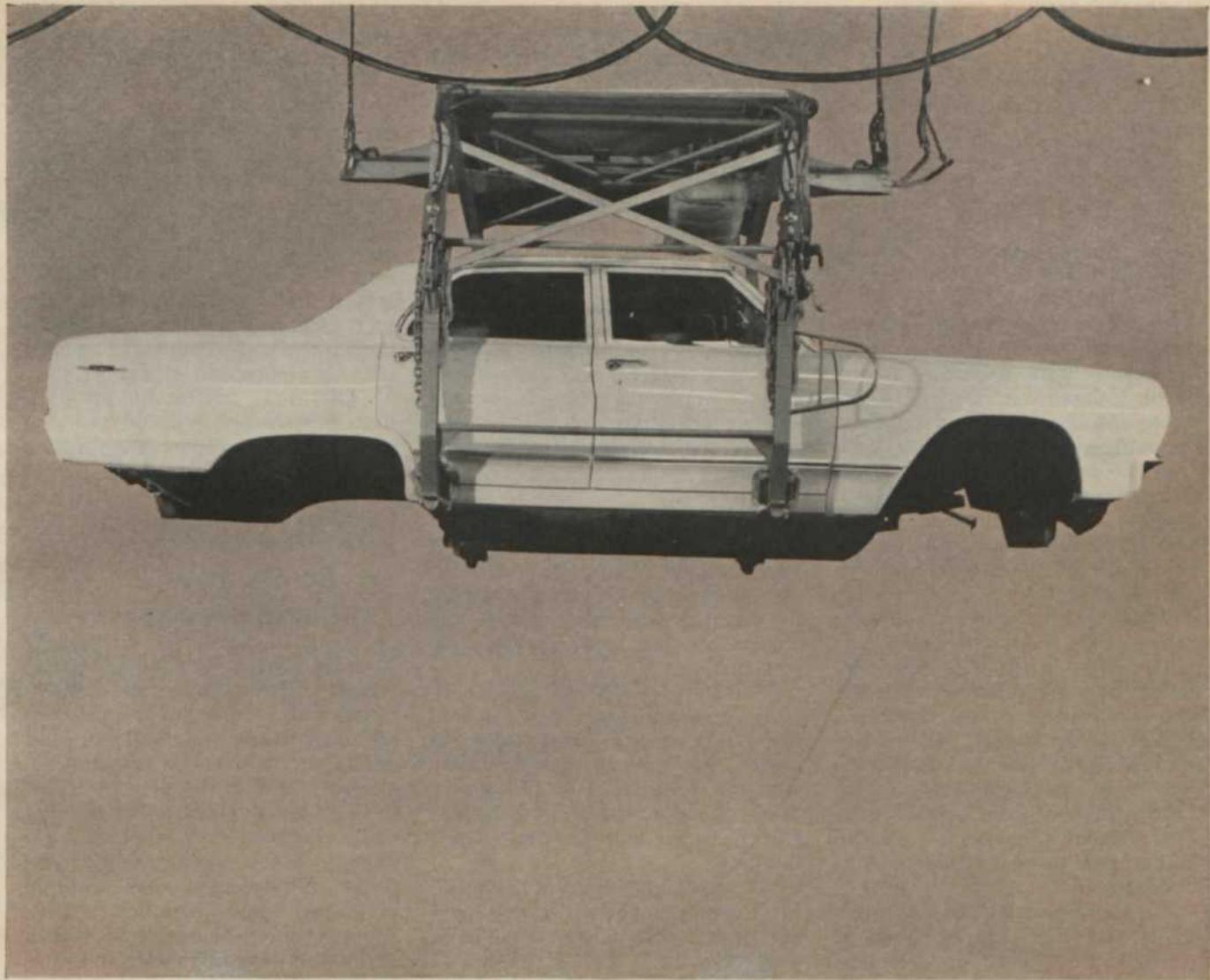
"We propose, but Congress disposes. Our guys must always keep that in mind."

"We've got to know how far we can go—where the line is drawn and where we are crossing over to another branch of government."

"In the final analysis, the decisions must come from Congress. We hope for the best."

Lobbyists have know-how

Mr. O'Brien's legislative team is made up for the most part of men with solid legislative experience, acquired mostly on Capitol Hill on the staff of a committee or member of Congress. Some have held legislative office themselves. They know



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LYNDON'S LOBBY

continued

how to keep congressional wheels turning.

At the White House, Mr. O'Brien has one assistant, Claude J. Desautels. Two men now cover the House—Henry Hall Wilson and David Bunn, recently appointed. One man takes care of the Senate, Michael Manatos.

Mr. Desautels was for many years administrative assistant to Democratic Rep. Wayne N. Aspinwall of Colorado, chairman of the House Interior and Insular Affairs Committee.

Mr. Wilson, former Democratic national committeeman from North Carolina, was a member of the state legislature. He works largely with House members from southern and border states.

Mr. Bunn, a deputy postmaster general when he moved over to the White House early this year, previously handled relations with the Colorado legislature for Gov. Stephen L. R. McNichols. He is a former national president of the Young Democrats and concentrates on House members from the West.

Mr. Manatos is a former aide to the late Sen. Joseph O'Mahoney of Wyoming.

Two departmental legislative officials with the title of assistant secretary are Wilbur J. Cohen at HEW and Douglas MacArthur II at State, who was recently assigned to the post.

Mr. Cohen has had a long career in the social security program, going back to the mid-1930's when he assisted in the formulation of the first social security law. Except for the Eisenhower years, when he taught at the University of Michigan, he has been with the Social Security Administration. In 1960 he headed President-elect Kennedy's task force on health and social security.

Mr. Cohen has four assistants, ranging from a former executive vice president of St. Mary's Dominican College in New Orleans to a former attorney in the Food and Drug Division. He meets every Thursday with his staff and a representative of every major unit in the vast HEW structure that is interested in legislation.

"We discuss anything that's on the griddle," Mr. Cohen told NATION'S BUSINESS. "On the basis of that meeting, one of my assistants prepares a draft of the

Monday report for the White House. I go over it on Friday, sign it, and get it to O'Brien before noon on Monday.

"Sometimes he will call me to discuss some points before giving his report to the President for his Tuesday breakfast with the legislative leaders.

"Sometimes at noon on Tuesdays O'Brien will call to tell me what he, the President and congressional leaders have agreed upon at breakfast.

"He may give me some reactions of the President and suggestions on how we should proceed. He may say we are going too slow or too fast, or that we should contact this person or that on the Hill."

What happens in Congress

On Capitol Hill most of the legislative maneuvering is done with committees and it varies, depending on the committee setup, the chairman, staff and members involved.

With the House Ways and Means Committee, through which the controversial medical care program passed, Mr. Cohen says he works with the chairman, Rep. Wilbur D. Mills of Arkansas, because he has effectively guided the committee's thinking.

"If you've got him, you have it," Mr. Cohen points out. "If you don't get him on your side, you might as well forget it."

The situation is about the same with the Senate Finance Committee, headed by conservative Sen. Harry F. Byrd of Virginia.

"Our first job," Mr. Cohen explains, "is to make an appraisal of how to handle each committee chairman, after talking with the President and O'Brien. Each has to be handled differently, with sophistication.

"The White House usually calls the shots on how we deal with Senator Byrd and Chairman Mills.

"Working with Senator Byrd illustrates how we have to differentiate our approach. He opposes everything, so it's no use asking him if he will support one of our bills. But we can ask him, before we talk with his committee members, how he feels about procedural elements—when he plans to take up a bill, how long he plans to hold hearings—and give him the Administration's views on the bill.

"He may ask for a memo on how much the proposed legislation will cost and, of course, we give him any information he wants. Then when he brings it up before the

committee he may say, 'I don't agree with Mr. Cohen, but you can depend on his information.'

"We don't do any button-holing of congressmen for votes, although we may provide some intelligence of how things stand and maybe talk to a particular member of Congress for a special reason.

"Nor do we do any head-counting when legislation reaches the floor. We keep in touch with other groups that do and are on our side, such as the labor unions, organizations interested in education, senior citizens groups and others.

"They may tell us, for instance, that 10 votes are in doubt and who they are. We report this to the White House and they take it from there." It is at this point that the President often applies his persuasive telephone technique.

The view from Labor

Legislation is handled at the Department of Labor by Samuel V. Merrick, former National Labor Relations Board official and professional staff member of several Senate committees in the labor and manpower fields. His program includes repeal of Section 14(b) of the Taft-Hartley Act, which permits states to pass laws against compulsory union membership; manpower development and training programs; larger unemployment insurance benefits; expanded coverage under the wage-hour law, and double pay for overtime work.

Mr. Merrick, a special assistant to the Secretary of Labor, distinguishes his operation from Mr. Cohen's in that Mr. Cohen helps develop the Administration's programs in his field as well as trying to get them through Congress. Mr. Merrick's responsibility doesn't begin until a policy is developed, although he may participate in its formulation.

"I coordinate the handling of labor legislation by Congress," Mr. Merrick told NATION'S BUSINESS. "I talk with the subcommittee chairman handling a bill and arrange for testimony by the Secretary.

"I brief committee members ahead of time. I also talk with the minority members of the committee, if they will listen.

"We try to get to know the congressmen so we can assess what they will do; try to know their interests and attitudes and dispose our forces with that in mind."

Under President Kennedy, the legislative operation was not as well organized as it has become under

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If you are an industry official and wish a copy of "The World's Richest Market," write on your letterhead to: Richard F. Torrey, Director of Area Development, Niagara Mohawk Power Corporation, Dept. NB-4, 300 Erie Boulevard West, Syracuse, New York 13202.

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LYNDON'S LOBBY

continued

President Johnson, according to Mr. Merrick.

"Larry O'Brien and a few others were available on cliff-hangers, but we didn't have the efficiency we have now," he says. "The fact that Mr. Kennedy was not a technician in this field made for an additional lack of efficiency.

"Mr. Johnson knows more about legislation and knows how to use his power."

In charge of legislation at the Department of Commerce is Paul Southwick, deputy to the Secretary for congressional relations, who replaced John S. Stillman in February. His office has been concerned with the Appalachia program, patent legislation, the President's plans for a high-speed railroad on the East Coast, highway beautification and a new merchant marine policy.

A former newspaperman, Mr. Southwick was recruited from the White House special projects staff by Secretary of Commerce John T. Connor. He formerly was deputy administrator of the Area Redevelopment Administration in charge of the accelerated public works program and legislative assistant to former Sen. Oren E. Long of Hawaii. He has three aides.

The President's area redevelopment program, for which he is asking \$400 million of Congress for the first year, is being pushed in Commerce by Francis X. Dooley, legislative director for ARA.

In the Department of Defense, legislative activity is coordinated by a 39-year-old former Washington attorney, David E. McGiffert, assistant to the Secretary for legislative affairs. He is assisted by Air Force Brig. Gen. Charles R. Roderick.

The Defense legislative structure is extensive, with offices on Capitol Hill and each branch of the service having its own staff of experts. Much of the activity involves providing service information requested by members of Congress.

Other legislative officers include:

- At the Office of Economic Opportunity, former Rep. Gillis Long of Louisiana, a cousin of Senate Democratic Whip Russell Long.
- At the Housing and Home Finance Agency, Deputy Administrator Milton P. Semer and congressional liaison officer Charles Smith. Mr. Semer formerly was chief counsel of the Senate Banking and Currency Committee's Subcommittee on Housing. Mr. Smith has

handled congressional relations for the Department of Agriculture and housing agencies since before World War II.

► At the Interior Department, Orren Beatty, administrative assistant to Interior Secretary Stewart Udall when he was in Congress.

► At the Agriculture Department, Kenneth Birkhead and Thomas Hughes.

► At Treasury, Joseph Bowman, former congressional staff employee.

► At the Post Office, Michael Monroney, son of Sen. A. S. Mike Monroney of Oklahoma.

► At the Justice Department, William Geoghegan.

Unions play big role

Special interest groups of all kinds will help the Administration try to put its legislative program across, but none will be as welcome as organized labor with its lobbyists. Labor's valuable support has been acknowledged by the President and other Administration leaders, who have also made note of the similarity between union and Administration objectives.

Senator Long, who counseled with AFL-CIO President George Meany when he was seeking the majority whip post, told an AFL-CIO legislative conference:

"We need your help. Talk to some of the senators and get them to see the light. Get their commitments. And every time you get one of them to promise to vote on one of the Administration's bills, you get Andy (chief AFL-CIO lobbyist Andrew J. Biemiller) to check in with Russell Long so we can put one more mark alongside a name we have to get to pass this bill.

"With your help, we will give you a good legislative program."

Vice President Humphrey has told union lobbyists and political leaders: "Now that you have embraced us, don't leave us. We are going to need you every day, every week, every month in the Eighty-ninth Congress."

Mr. O'Brien told the unionists that labor's and the Administration's programs are virtually the same, and that he looks forward to working closely with Mr. Biemiller to put them over.

"The climate is good, the situation is ripe," he said. "But, as the President told his Cabinet, 'We can't take anything for granted.'

"The ball game isn't over; there's lots of work to be done. We will call on you in moments of crisis."

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WOULD YOU FIGHT POVERTY THIS WAY?

Experimental U. S. plan focuses on target seemingly remote from help for the poor

WASHINGTON IS ESCALATING the war on poverty, but it's picking some puzzling targets that appear beyond mere help for the poor. An experimental attack now under way will include:

1. A cultural center where local talent will act out the "internal expression" of the community.
2. Federal sponsorship of unofficial town meetings where participants will debate their own pocketbook interest in national politics.
3. A government-backed newspaper run by local amateurs guided partly by labor unionists.

One-time unionist Hyman Kornbluh developed antipoverty experiment.



An initial grant of \$188,000 of U. S. tax money has been approved to launch the project. Its objective is not just to boost income but to achieve cultural, social, political and psychological renewal as well.

These innovations, now being planned for a tiny area near Detroit under a poverty grant justified as research, could shape similar programs in countless communities if the results please Washington.

The experiment was approved by the U. S. Office of Economic Opportunity. That's the federal agency waging the Johnson Administration's war on poverty.

The project was developed and will be run by Hyman Kornbluh, long-time union official now on the staff of the joint Institute of Labor and Industrial Relations of the University of Michigan and Wayne State University, and a citizen group having strong ties with the University of Michigan.

The experiment was okayed despite strong evidence that Mr. Kornbluh's study scrambled some facts and exaggerated the extent of poverty in the area involved.

In fact, many citizens of the community deny theirs is a poverty area. An on-the-spot check also indicates the area is rather typical of small-town U. S. A.

The project encompasses the former Willow Run Village, a community that housed thousands of

bomber plant workers during World War II. It has since been largely transformed into five residential developments. In the guinea-pig area live nearly 5,000 people. It is served by business and public facilities.

A group known as the Willow Run Association for Neighborhood Development (WRAND, Inc.) was formed last year. Its leaders got together with the university Labor and Industrial Relations Institute. Mr. Kornbluh began to work up his study, which was the basis for the federal grant.

OEO and Mr. Kornbluh imply that much local initiative is behind the project. Yet the development group's incorporation papers list the six original incorporators as residents of Ann Arbor, roughly a dozen miles from the old Village.

Curious goals outlined

WRAND claims 500 families or individuals both inside and outside the project area and financial support from well-wishers as far away as Colorado, New York, Brussels and Paris.

This is the group the federal government is sponsoring to the tune of \$188,000 this year and possibly a similar amount next year. The program is expected to run for five years. Its approach:

"A program of participation must involve as many residents as possible and many areas of local life:



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University study describing the project area overlooked this shopping center accessible to many residents of the vicinity.

FIGHT POVERTY

continued

job and economic opportunities, educational support, cultural and recreational facilities, political participation."

A few highlights of the original Kornbluh study and a follow-up statement give an idea of the picture presented to Washington to justify the support money.

"Where once there were thriving shopping centers, businesses and services, theaters, nursery schools, active community life, jobs: Now, this is all gone," it says. "Bulldozers leveled the buildings and brush has overgrown the streets and roads."

The Kornbluh study claims the 1960 census revealed unemployment of 30 per cent and indicates that 30 per cent of the residents receive public welfare aid.

"Willow Village is a community without social services," it adds. "There is no medical facility, no newspaper, no self-government, no recreational or cultural or even entertainment facility. There are no stores in the area and the schools are a bus ride away."

The report leaves the impression that the area is a ghost-town, isolated from surrounding communities and oppressed by hard-core poverty.

A NATION'S BUSINESS editor found a far different picture. Talks with residents and others involved with the project showed a striking degree of agreement that there is little economic poverty in the project area as traditionally understood.

One of the strong opponents of the project is Roy Smith, an elected, full-time supervisor of Ypsilanti

Township, in which the majority—2,905—of the 4,375 residents of the purported poverty area live.

When the grant was approved he denounced the project, saying that "the written proposal for and receipt of federal funds in the name of poverty is a disgrace to Ypsilanti Township residents, our government and our community by derogatory and untrue statements about our people, our government and our community."

Mr. Smith is no opponent of federal programs as such or the federal poverty program. But he points out that the grant was based on a distorted study and should be with-

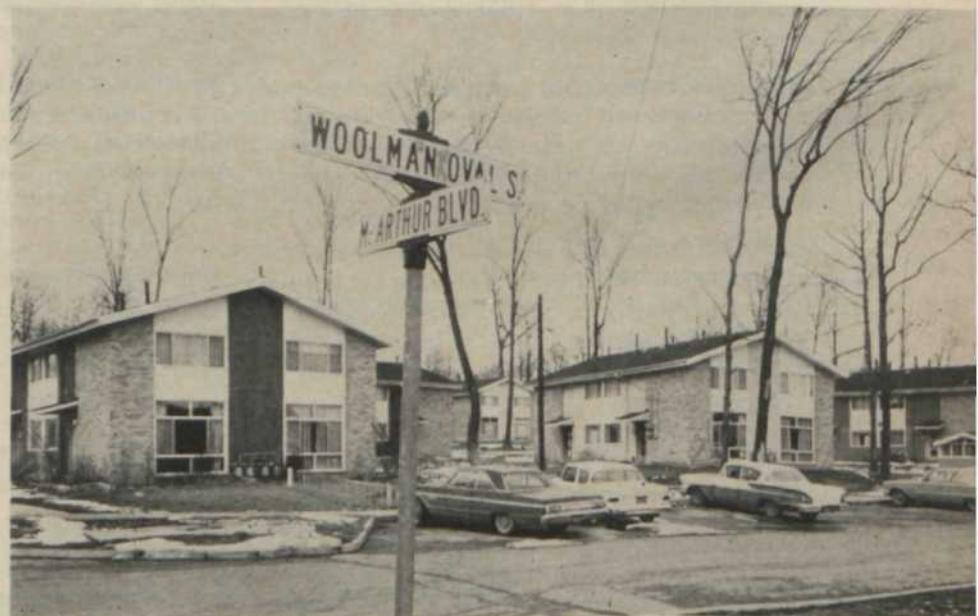
drawn. He had volunteers circulate a questionnaire among the roughly 550 families living in the project-area section of his township. Among 287 returns, he found no families with members unemployed or on welfare, and only four members of WRAND. Incomes ranged from \$2,500 to \$16,000, with an average of \$7,942.

Poor? "Hell, no!"

To a question asking those surveyed if they were impoverished, answers ranged from "no" to "hell, no."

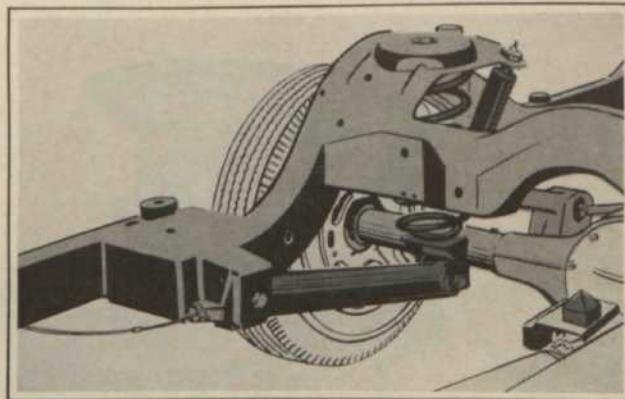
Said one housewife: "I don't believe that this area is any poorer

Without any poverty grant, a community group built attractive, low-rent apartment development for families with low incomes.





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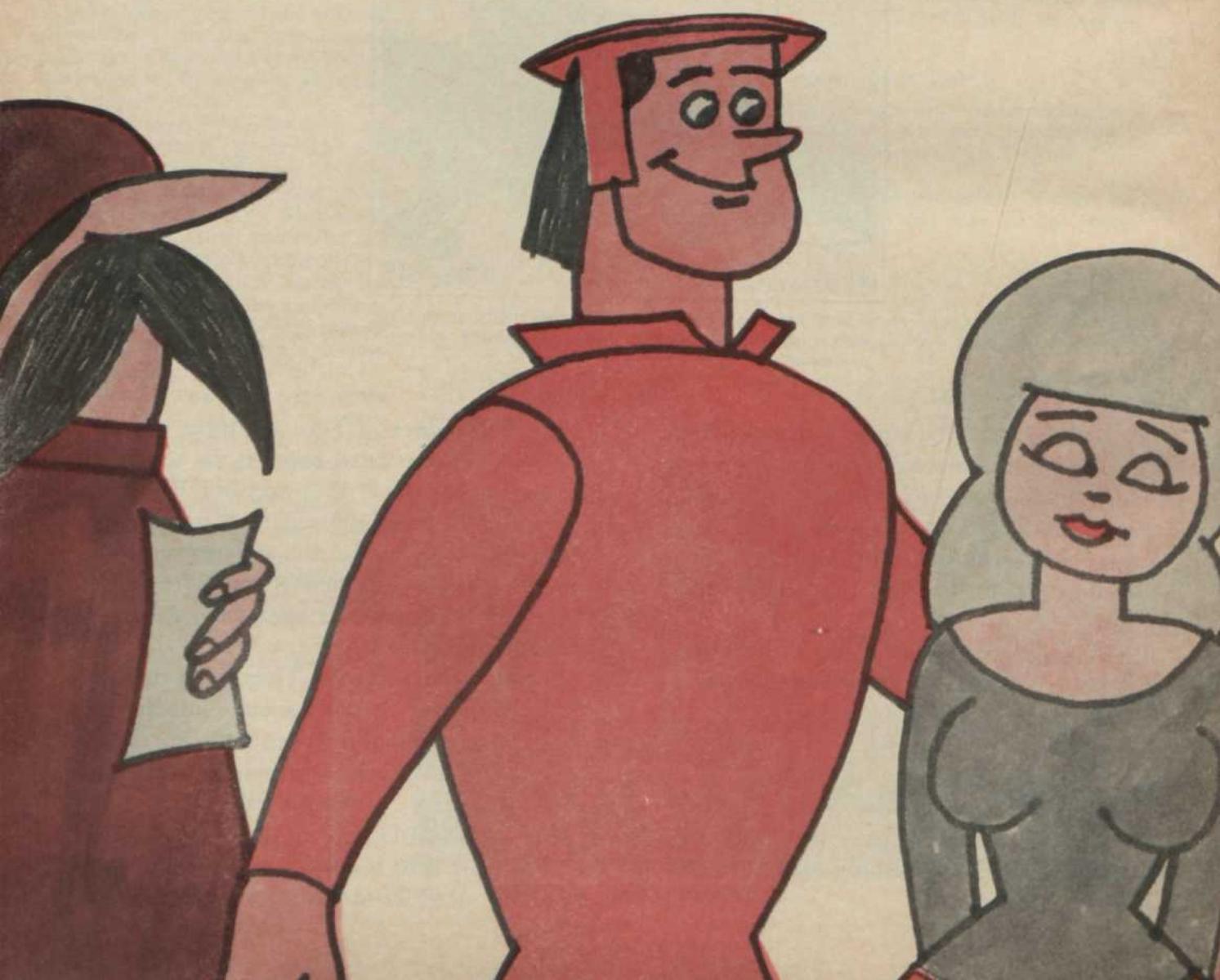
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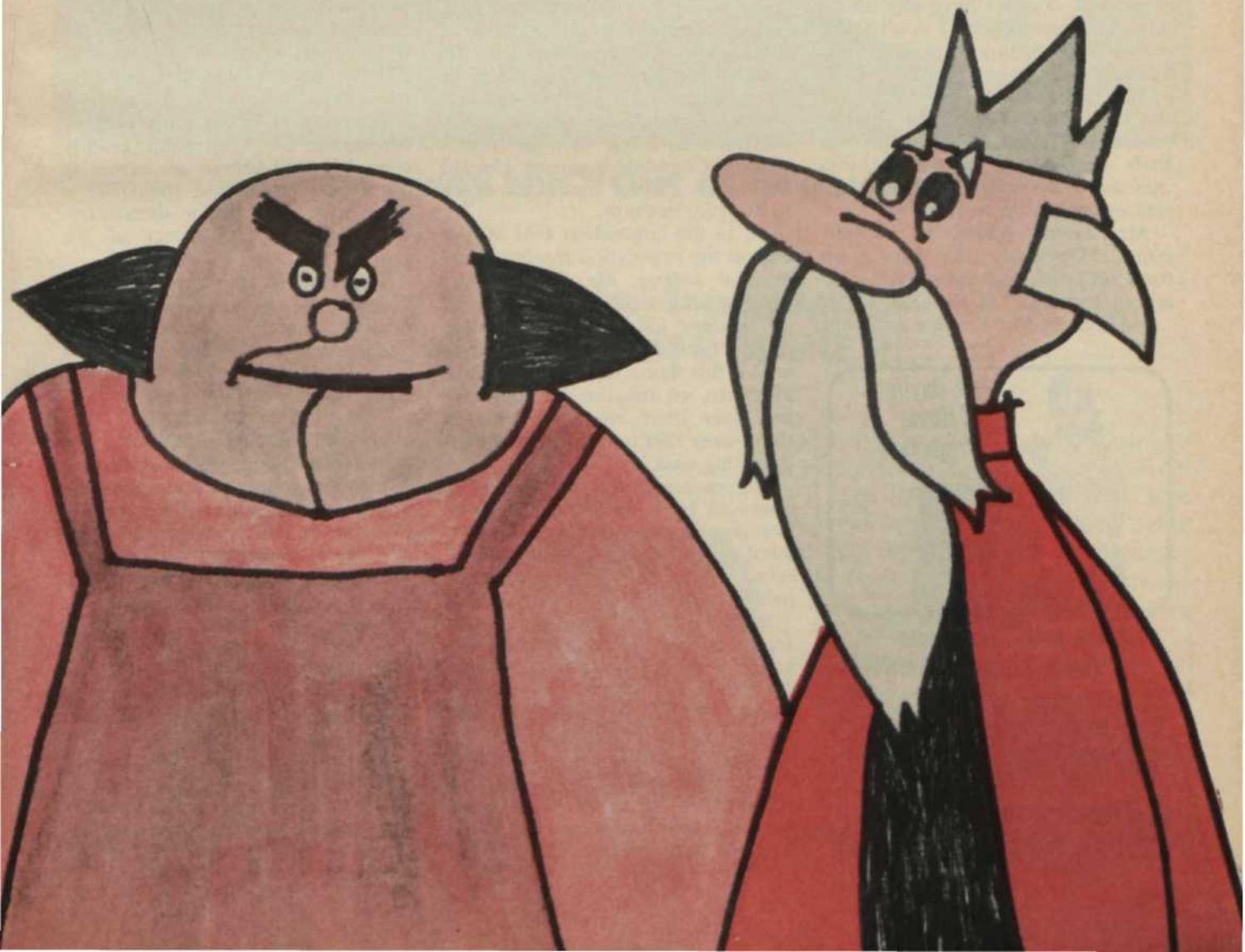
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FIGHT POVERTY

continued

than any other. The community is building up very nicely. . . . It is an insult for people to say the horrible things that they have said."

Another housewife: "I think it is one of the lousiest things that could be pushed off on anyone. I for one do not know of a family on my street that needs anything."

The local community chest observed that family service agencies, visiting nurses, scouting programs, child guidance clinic and the like were available to the area. WRAND apologized.

A neutral observer is Malcolm R. Lovell, a special assistant to Michigan Governor George Romney and director of the Michigan Office of Economic Opportunity. He favors the federal war on poverty, feels some sort of university-connected program is needed in part of the project area, and wants to avoid making a federal case out of the OEO's entanglement at Willow Run.

But, asked for his assessment of the project, he replied: "There is a need to have the basic data resubmitted. I don't have any up-to-date data myself—and I don't think anyone has—as to how much poverty there is."

Mr. Lovell regards the OEO and the university institutes as highly responsible agencies, although "in their enthusiasm for something, they came up with a proposal that was inaccurate in many ways."

Mr. Lovell added at another point: "Obviously they drew it up from statistics and didn't bother to go out and look" at the area.

He regards Mr. Smith's criticism

as responsible and legitimate comments. The state agency has not become involved officially.

A supporter of the grant project is Richard Branham, a member of the Ypsilanti Township Board of Trustees. He lives in the area. Asked about poverty, he said:

"I believe most of it is in the other township. Our township may have some, I can't say. But if we have one family and this will help them, then I'm for it."

Township Clerk T. R. Stumbo notes: "I do not feel that anyone in the Ypsilanti Township portion is poverty-stricken."

Mr. Smith asks: "Do we run to the federal government for funds before checking to establish whether or not local funds and private capital can do the job?"

As to physical facilities and services available, a local Study Committee on Poverty and Need answers the Kornbluh study by listing point by point three gas stations, two auto repair shops, active township government, four city newspapers, a township library and bookmobile service, a shopping center and recently built schools.

A tour by the NATION'S BUSINESS editor largely confirmed this.

The Ypsilanti Area Chamber of Commerce strongly disputes the 1960 unemployment rate claim of 30 per cent.

"The census tract quotes unemployment as being 14.1 per cent," reports Chamber manager Donald O. Ruffer. Many figure it's down to five per cent now.

As to the contention that 30 per cent of the population receives some form of welfare, Mr. Ruffer adds: "In checking this figure we find that all welfare aid for the complete county would have to go to this area if this figure were correct. This, of course, we are sure does not happen since there are other areas in the county that have more problems than this area has."

No one associated with WRAND seems to have up-to-date information on school drop-outs, unemployment, crime, health problems, poverty or the availability of existing public or private aid programs.

Supporters of the experiment argue, however, that errors in the underlying report are mere details, that the grant should help finance studies to find out what the real problems are.

"We are not a poverty-stricken community," observed one citizen arguing for the grant at a recent township board meeting. But he indicated that people like himself

would like to help out their few unfortunate neighbors.

Poverty redefined

Gerald Foley, president of WRAND, tells NATION'S BUSINESS that poverty no longer means that you aren't eating, not with the criteria set up by the Economic Opportunity Act of 1964.

"If you're talking about seat-out-of-your-pants poverty, we have some," says Mr. Foley. He is a local school teacher. He also alleges there's a lack of recreational facilities and outside programs to help children do better in school.

His definition of poverty includes a lack of people in the community skilled in developing human resources, lack of communications within the community, lack of residents' identification with the community. His definition is thus a great deal broader than what most Americans think of as poverty.

In an exchange with Mr. Smith at a public meeting, Mr. Foley strongly implied that the chief standard for accepting the federal handout is: Could it do any good? He and his supporters add that the grant is designed to study not a poverty area but one with a whole range of incomes, to determine the needs and wants of the people. "That's what makes the grant so interesting."

Interviewed at the University of Michigan, Mr. Kornbluh readily conceded that "there are errors in the report," but said the OEO is more interested in the demonstration, or research, aspect of the project.

The Willow Run area does not present the usual conception of poverty, agreed Mr. Kornbluh. "You can't look at any point and say, 'Are these people living in poverty?' 'Is this a depressed area?'"

The problem, he argues, is that many of the area's residents are vulnerable, holders of unskilled or semiskilled jobs that first disappear when hard times hit the automobile industry, on which the area's economy largely depends.

The grant-supported program can help prospect for other federal programs, says Mr. Kornbluh. WRAND President Foley feels it can also help find jobs. Ford Motor Co. is adding some 2,000 jobs this year at its plant in the township.

Of course, none of these arguments explains how the federal government can develop weapons for war on poverty by studying an area where extensive poverty is widely contested. No one in the

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area is criticizing WRAND's initial and continuing program, carried on without federal funds. It includes a remedial tutoring program for elementary students handled by students from Eastern Michigan University and a day-care center for children of working mothers.

Mr. Kornbluh says he understands that the day-care program enabled six mothers to get jobs, providing enough income to scratch their families from the Aid to Dependent Children rolls.

What bothers citizens

What bothers many local critics is the thinking behind the new project reflected in one Kornbluh proposal, since withdrawn. This would have provided for a work training project paying trainees up to \$1.40 an hour, plus 25 cents an hour if they could be persuaded to remain in school. It stated:

"This reasonable minimum wage is a necessary incentive to attract youth to the program as commensurate with the type of work performed and the quality expected of a trainee. It should also create a heightened consciousness in the community of the way many residents are now exploited in low-pay, dead-end jobs."

Another proposal some residents object to is this:

"The racial integration of a divided community can be accomplished if a range of common problems and needs can be defined among each racial group and if a number of community-wide services are developed to meet these felt needs."

"The functional integration and accompanying intermingling is the basis for establishing broader problem-solving groups in the community on an interracial basis. This kind of informal, task-oriented activity will generate true social integration."

Within the project area some neighborhoods are all-white, some others all-Negro.

According to the Willow Run plan, the local group would use an idle theater in the area to bring in outside entertainment.

"Eventually, such a cultural center would shift from being a source primarily of outside stimulation to one devoted mainly to the internal expression of the Village area itself," wrote Mr. Kornbluh. A



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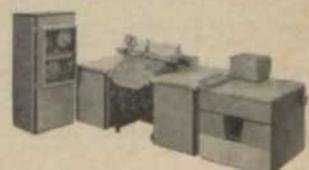
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FIGHT POVERTY

continued

sort of unofficial local government would be promoted by putting the WRAND people in control of the various programs developed under the project.

What's more, professional social workers and area residents would canvass the community to determine the problems, needs and desires of the people, leading to an "embryo from which community government of a town meeting style might develop."

Sample topics for meeting debate:

"Do we get what we should from the school system?"

"What role do unemployed and old people have in the community?"

"What do issues in national politics mean to the Village in terms of employment . . . in terms of income security . . . in terms of cost of living?"

The newspaper is conceived as "an educational tool, experimenting in techniques of reporting social, economic and cultural affairs and interpreting these to the local community."

It's goal will be to give "relevancy to the current economic, social and political change by reporting state, national and international affairs in terms of local implications and within a context of local problem concerns."

Even the treasurer of WRAND, George Taylor, resigned from the organization recently, protesting that it was run by a political "power clique" established by outsiders.

Mr. Taylor told NATION'S BUSINESS that he was outraged last fall when WRAND leaders fielded a reform Democratic slate of candidates for local office and abused their influence by pressuring members of WRAND for votes. They lost in the general election.

"We're still interested in the project," insists Dr. Sanford Kravitz, of OEO's community action program. "The fact that problems have developed is not necessarily reason for withdrawing it."

Even those local officials who are willing volunteers in this new tactic in the poverty war question the extent of poverty in their back yard and resent being completely bypassed when the project was being developed, submitted and then approved by Washington.

But they figure the money might come in handy.

END

B&B mixes Chemical with hometown touch. Result: Successful Solution

Advertise a gigantic, multi-branch New York bank . . . give it people-appeal . . . humanize it! Sound impossible?

Not for the creative tellers at Benton & Bowles. Because they understand two things — money and people.

And they totaled in with a national campaign for Chemical Bank New York Trust Company: "The bank with the hometown touch".

Can we offer you financial wizards at B&B a topper? Hardly. But we have something that could help you make the campaign even more touching. It's the Yellow Pages National Usage Study. (Please. Don't close the books on us yet. Read more.)

This big-figures study is based on 19,737 personal interviews by Audits & Surveys Co., Inc. It covers marketing facts and shopping-habit data on 53 different business categories — in all types of markets from coast to coast.

Let's take the banking category (one of your favorites). 13.1 million adults turned to the Bank headings in the Yellow Pages. That's 14% of your entire market. But here's the real eye-opener: 93.2 million times, these people took action — phoned, wrote or visited the organization they found in the Yellow Pages.

These are just a few of the hundreds of facts disclosed in the bank-

ing category. There are 52 other major categories — and your other accounts most likely fall into one of them.

We can give you the facts for any one of 20 major geographical regions. And we can break these down again by city-size. Also available is Yellow Pages reach and frequency (in terms of exposure) for any market in the U. S. And best of all, we can tell you the number of times you can expect action from the Yellow Pages in any market.

For more information, call your Yellow Pages man. He's listed in the Yellow Pages (where else?) under Advertising — Directory & Guide.

Balancing begins at home

You're hearing a lot of talk now about the balance of payments.

Washington's worried. So are businessmen.

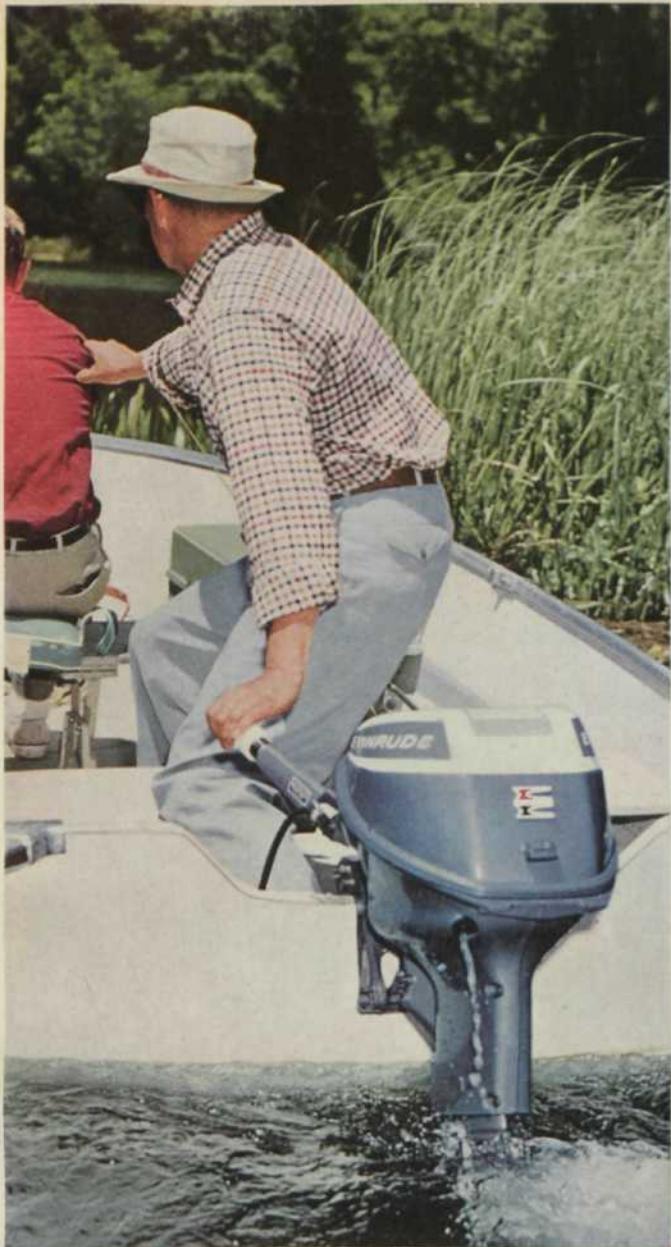
More dollars are flowing abroad than are coming back. The deficit is draining away our gold.

International companies are studying their corporate ledgers to see if they can help. The President wants each business to improve its own balance of international payments by at least 15 per cent.

Meanwhile, right here at home another ledger is even farther out of balance. It's the federal budget.

If Washington applied the same 15 per cent goal to improving this ledger it could not only wipe out the current \$5 billion federal budget deficit but apply equal amounts toward the national debt and a tax cut.

A welcome thought at tax-paying time.



Noiseless portable

A few words about quiet.

Every motor manufacturer makes a lot of noise about quiet. But the Sportwin does for boating what the noiseless typewriter did for typing. If it's quieter than an Evinrude . . . it isn't running.

And a word about portability.

You never hefted a handier package of power than this. A suitcase-type lifting handle is at the point of balance. The Sportwin weighs in at 60 pounds. Not bad for 9½ horses, complete with full gearshift, thermostat controlled cooling, etc.

It's short enough to tuck snugly into compact car trunks — only 34 inches, top to skeg.

This sporty little shorty packs a wallop. Planes fishing boats at a 20-mile clip. Runs 80 miles or more on a 6-gallon tank.

It tilts and locks in 16 different running positions for shallow water trolling. The handle tilts up for stand-up trolling. Or down for stowing.

We only made one mistake in building the Sportwin last year.

We didn't build enough to meet the demand.

EVINRUDE
FIRST IN OUTBOARDS

See the Sportwin at your Evinrude dealer, listed in the Yellow Pages. Free catalog. Write Evinrude Motors, 4049 N. 27th St., Milwaukee, Wisconsin 53216.

IN CANADA: PETERBOROUGH, ONT.
DIVISION OF OUTBOARD MARINE CORPORATION



GET THE INSIDE STORY

AND YOU'LL INVEST IN THE BEST... A PRECISION-BUILT OLYMPIA!

Consider the importance of the typewriter... still the most basic and essential communications tool in any office! Its performance can mean the difference between an efficient flow of correspondence — or exasperating delays. That's why we ask you to get the "inside story" on the new and distinguished OLYMPIA SGE-40 ELECTRIC. You'll discover that it is quality... outstanding quality... of design, materials and construction. This Olympia quality is your assurance of an absolute minimum of "down-time", output losses, maintenance and service costs. Every part has been precision-engineered for efficiency... precision-built for reliability. And, the ultimate benefit of Olympia qual-

ity is the distinguished and impressive look your correspondence conveys. So whether you or your associates make the "big decision" on typewriters, be sure all concerned see, test and compare a new OLYMPIA SGE-40 ELECTRIC before you decide on any other. We're confident you'll find it a worthwhile experience. Your authorized Olympia Dealer is listed in the Yellow Pages.

Olympia

SGE-40 ELECTRIC



*Olympia Precision Typewriters
for home and office*

**ELECTRICS
MANUALS
PORTABLES**

